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PARIS, WEDNESDAY, NOVEMBER 29, 1978

If New Law Proves Unfair

Congress May Reconsider Parts Of Overseas Income Tax Law

ng shuter By Jane M. Friedman Kunnedi, By Jane M. Friedman

No. 29,798

gh the hards, Nov. 28 (IHT) — The S. Congress will reconsider set de portions of the new tax law ted portions of the new tax law the men Popessman said here today.

In an interview in Paris, Rep. Al

ther July has In an interview in Fatts, rep. of the ther July has D-Ore, chairman of the history day, and Means Committee and that Congress would be ling to do this if case studies ow that the U.S. position in Euthe distance of the principle that American he makes the principle that American he makes so verseas should pay U.S. in-

thinger has ction 911 provisions are fair.
"What we have is a pretty equitain then in "What we have is a pretty equation of the hard Europe fairly," he said. "There however, the possibility of the hard pending 911 if the actual impact people living around the world

harsher than we think."
until pe Rep. Ullman was in Paris to

cumed, par

CRIPTION

AST ASIA

was he wak at a meeting of the American



Rep. Al Ullman

information to lawyers and businessmen about the U.S. tax code. Afterward, he met with Prime Minister Raymond Barre and other French officials. Today, Rep. Ullman flew to Geneva to speak with

U.S. trade negotiators there. He and the first ax Institute, a group that provides speaks tomorrow to the Interna-

Invader Shelling Reported

10,000 Tanzanians Said in Uganda Raid

The Tanzanians, with artillery mits, were engaged in heavy shelling attacks, the sources said. A lose aide to President Idi Amin of Jganda said vesterday that a briade-size Tanzanian force seized he border town of Mutukula and rove about 20 miles into Uganda

o the west of Lake Victoria.

Diplomatic sources said that hey had no detailed information bout the Tanzanians' latest posiion. But they said that the force vas known to be on the 150-mile aved road from the border to the Jgandan capital of Kampala that viasaka.

Independent Confirmation

The sources said they had inderendent confirmation of the Uganlan aide's report that the Tanzani-

ins crossed the border yesterday. The sources said that the Tanzatian objectives were not yet clear. But they appeared to include retaliition for the Ugandan invasion of a 10-square-mile salient of Tanzaniin territory on Oct. 30.

rea that could be strategically sig-tificant for their Balkan neighbors.

Using the world's largest ferries, he new line has cut travel time for argo on the route to between 13

and 17 hours, eliminating delays of

up to four weeks that were encoun-

ered in sending goods by train

Nov. 14 on a 400-kilometer route

between Bulgaria's Black Sea port at Varna and Ilichevsk, near the

Soviet-Bulgarian goods exchanges already were routed by sea, mainly from Varna to Odessa. The ferries

are intended to carry the other 20 percent, which were routed through

The decision to bypass Romania with a fast, direct sea link seems to

be easily adapted for military pur-

poses, experts say. Each ferryboat

U.S.S.R.

have been dictated by political and AGE 21 military factors as well as economic

MOS reasons, according to diplomats

A 55fFff The four jumbo-size ferryboats between Varna and lichevsk could

The ferries were put into opera-

icross Romania.

NAIROBI, Nov. 28 (Renters) — In Dar es Salaam, the government newspaper, the Daily News, today carried, without comment, a Ugandan radio report on the Tanana are today. zanian invasion. It was the first time in a month of reports of border clashes that the Tanzanian media had carried a Ugandan report without denying it.

The latest report from Uganda, yesterday, said that Tanzanian forces were advancing inside Uganda. It did not say where they had

Uganda has not reported its army in action, but the diplomatic sources here said that both sides seemed to be exchanging shellfire.

Under the headline "Amin now cries," the Daily News today deto occupy Ugandan territory. "We consider all Ugandan workers and peasants to be our brothers oppressed by a war-mongering dictatorship that is causing them more difficulties in its military adventurism," it said.

Tanzanian-Ugandan relations have been strained since Marshal Amin overthrew President Milton Obote in a military coup in 1971.

(Continued on Page 2, Col. 8)

tional Chamber of Commerce in

In his statements, Rep. Ullman endorsed the position that tax breaks to U.S. citizens residing overseas should be based on the nation's economic interests throughout the world and should be aimed at maintaining the U.S.

In the tax bill, Congress eliminated the long-standing \$20,000 income exclusion for Americans abroad and substituted cost-of-living and other deductions to compensate the overseas citizens for excess costs. The income exclusion was maintained for Americans working in hardship areas in campstyle homes. They are largely in the Middle East and other oil-pro-

ducing areas. The law has been highly contro-versial among Americans residing

In Geneva, where talks on the Multilateral Trade Negotiatious are in progress, Rep. Ull-man assured U.S. negotiator Robert Strauss that he would introduce legislation in Congress to extend the counter-vailing duty waiver. Page 17.

overseas. Some have charged that it favors high-income employees of major U.S. corporations as opposed to independent and low-wage earners. The law becomes effective for 1979 income.

"I think you can't ignore the basic principle that there are some desirable places to live and some very undesirable places," said Rep. Ullman, over coffee at Taillevent, one of France's three-star restaurants. "People will not move to the undesirable places. Our only reason for keeping the income exclusion is to help our companies to get people to move to the undesirable places to achieve our economic objectives. Paris, France, is not an undesirable place. It's one of the most desirable

"Losing Influence"

places in the world."

Rep. Ullman said there had been a "real crisis" in the Middle East and that the United States was "losing influence" there because it

was "losing personnel." While the bill gives a bonus U.S. citizens working in the Middle East, Rep. Ullman said there was "no way our tax laws should favor people who stay in Paris over those who stay in Waterloo, Iowa." He indicated that the Congress and the president would never accept the idea of no U.S. taxation for Americans abroad.

The United States, the Philippines and South Korea are the only nations known to tax their citizens (Continued on Page 2, Col. 2)

Links Ports in Bulgaria, Ukraine

Striking steelworkers in Duisburg register with union yesterday as the first steel walkout in 50 years idled 50,000 in Germany.

First Time in 50 Years

Steelworkers Strike At W. German Plants

By John Vinocur

BONN, Nov. 28 (NYT) — West German steelworkers struck seg-ments of the industry today for the first time in 50 years.

The focus of the walkout was a demand for a 35-hour week that could have wide repercussions throughout West German and Euronean industry.

Coming after four months of unsuccessful negotiations in which ployers rejected a union proposal to reduce working hours gradually, the strike was expected to be long, and by the pragmatic standards of West German labor negoti-

ations, unusually hard. The unions argue that the steel work force will continue to be cut unless the work week is shortened, and management has replied that the extra costs of a 35-hour week would limit the competitiveness of a weakened industry and result in the loss of more jobs.

8 Major Plants

The strike took 37,000 workers out of eight major plants in the Ruhr, and in the cities of Bremen and Osnabrueck, stopping work additionally for 13,000 nonunion cler-

ical and administrative employees. The steel industry employers as-sociation had already announced that as a countermeasure it planned to lock out 28,900 workers Friday from plants owned by Thyssen, Mannesmann, Hoesch, and Fried. Krupp — the key manufacturers af-

fected by the strike. The 37,000 workers are from plants which furnish steel to the prosperous German automobile industry. In all, there are about 300,000 steelworkers in the country, but IG Metall, the steel and metalworkers union, appeared to reason that a limited strike could avoid a bill for industry-wide strike pay while creating pressure for a settlement by the car manufactur-

The effects of the walkout are expected to be felt in the auto industry in about two weeks. The union's nand for a reduction of the present 40-hour week to 35 was coupled with a call for a 5-percent salary

Ford Penalized by Britain For Pay-Increase Breach

penalty for the company's breach of the 5-percent anti-inflation ceil-

month, and a total of 120,000 jobs

(Continued on Page 2, Col. 1)

move at a 20-minute meeting between the company chairman and managing director, Sir Terence Beckett, and three government The company last week ended a

nine-week shutdown by signing an agreement giving its 57,000 workers a 17-percent pay increase — more than three times the limit set by the government. The Treasury said after the meet-

ing: The Ford settlement cannot be reconciled with the government's pay guidelines and the gov-ernment has reluctantly reached the conclusion that discretionary action should be taken against the firm, which has been informed."

The government said a formal letter had been sent to the company informing it of the decision to impose sanctions. Government officials said the

"discretionary powers" included refusing to allow price increases, the cancellation of contracts to buy Ford vehicles and the withholding of state aid for future development and investment.

[Last year, Ford supplied 25,000 vehicles worth £100 million (\$200 million) to the whole of the public sector. It was thought likely, however, that the government ban would account for only a small per-

WILLIAMSBURG, Va., Nov. 28 (UPI) — Republican John Warner, the husband of actress Elizabeth Taylor, was named the winner over Democrat Andrew Miller in Virgin-

delivered a letter of certification to Williamsburg, where Mr. Warner was attending the winter conference of the Republican Governors Association, attesting that he had won by 50.1 percent of the votes to Mr. Miller's 49.7 percent.

To Restore Stability

Paris to Give Arms, Other Aid to Beirut

iting Lebanese President Elias Sarkis today secured French military and political support to end civil strife and restore stability in

The French will play a major role in the reorganization of the Lebanese Army, supplying arms and training officers and cadets in France, officials said.

Mr. Sarkis told reporters after talks with President Valery Giscard d'Estaing: "France's role will cer-tainly be positive, enabling the Lebanese authorities to undertake the task of Lebanon's national recovery." Lebanese Premier Salim al-Hoss, who accompanied Mr. Sarkis, said: "Military supplies have been arranged. I cannot be very specific," he added.

No Details Given

spokesman, Pierre Hunt, said: Military cooperation and supplies have been examined, but I cannot give you any details."

Lebanese and French officials said the arms supplies would in-clude light AMX-13 tanks and me-dium 30-ton AMX-30 tanks, as well as helicopters, anti-tank missiles and three missile-firing patrol

There was no immediate word on whether the question of repairing a giant French-built radar system on Mount Hermon, put out of action by Israeli forces during the 1967 war, was also examined.

Wages vary from region to region, but average industry hourly pay is about \$5.75, according to the President Sarkis said that France, like Lebanon, considered union. The offer of employers was that reconciliation between the Lebanese communities was essential in rebuilding the country. "We for a 3-percent raise and up to six weeks of vacation, an increase of from three to nine days, depending examined various aspects and phases of the Lebanese crisis and efforts The union's position is that the deployed among Arab states to only answer to short-time, a current loss of 1,000 steel industry jobs a reach a valid solution," he said.

[The Associated Press reported that the French spokesman said Mr. Giscard d'Estaing expressed

from buying Ford products, but it has no power to enforce this and

there is no prospect of legislation

being put through Parliament to

Engine Compensation in U.S.

Ford Motor Co. has agreed to notify U.S. owners of 1.8 million cars

of a compensation and repair pro-

gram for premature wear of certain

camshaft and rocker-arm wear in cars and some small trucks equipped with 2.3-liter engines.

Ford said the problem resulted from the use of oils with "insuffi-

cient wear protection" and was not

The program covers premature

DETROIT, Nov. 28 (UPI) -

give it this power.]

engine parts.

Government Purchases Curbed

LONDON, Nov. 28 (UPI) — The Labor government told the Ford Motor Co. of Britain today it will buy no more Ford vehicles as a discourage nationalized industries and local authorities ing on pay increases.
It informed the company of the

Formal Letter

Republican Wins Virginia Election

people for . . . Lebanon's future during the meeting with Mr. Sarkis.
[But he said the French president seeing before flying back to Beirut had stressed that the reconciliation of all parties in the country could only take place through Mr. Sarkis

ically legitimate person who could bring it about. [Today's session was the only

himself, since he was the only polit-

scheduled meeting between the two

President Giscard d'Estaing's

The maintenance of 10 French Mirage-3 fighter-bombers already used by the Lebanese Air Force also came under discussion, they

Various Aspects

indeed, efforts by certain countries to inject such language [were] soundly defeated."

guage such as this is not only a unhelpful to efforts now being made to build peace in the Middle East - peace which is too important and too fragile to be exposed to politically motivated acts."

Israel's chief delegate, Amiel Najar, said a recent Unesco report asserting that the archeological excavations had stopped "is of no in-terest to the Arab states." He said the charge of Judaization in the resolution was "a blunt expression of

Algeria charged that Mr. Najar's speech was "a flood of abuse and defamation" of Unesco members. The plenary session of Unesco's 146 member states also gave formal

tions that had been passed earlier in committee.

general conference yesterday, con-

Mr. Sarkis will receive numerous French officials at his guest residence in Paris and do some sight-

Established 1887

[Lebanese newspapers reported before his departure here Monday that Mr. Sarkis would seek \$250 million in French military aid to help rebuild the regular Lebanese Army, the AP said.)

Condemns 'Judaization'

Unesco Votes to Continue Sanctions Against Israel

PARIS, Nov. 28 (UPI) - Unesco members voted today to continue to withhold organizational aid from were adopted by Unesco in 1974 and 1976. Israel and accused the Jewish state of continuing to "Judaize" Jerusalem and alter it through ar-

chaeological excavations. The vote followed a bitter debate on the issue at the 20th general con-ference of the United Nations Educational, Scientific and Cultural Organization.

At the organization's 19th conference at Nairobi two years ago, Arab states had softened their stand and Israel was reinstated as a full member, although the 1974 sanctions cutting off Unesco aid to Israel were continued.

Today's vote was 67-24, with 13 abstensions, in favor of a resolution extending the aid cutoff and appealing to Israel to stop excavations "which are altering the character and status of Jerusalem."

Unesco passed similar resolu-tions in 1974 and 1976, but included in today's version a condemnation of Israel "for continuing to change and Judaize" Jerusalem.

U.S. Objects

John Reinhardt, the U.S. delegate, said after the vote that he obected to the terms "Judaize" and condemns the Israeli occupying thorities" as "offensive." in vain that they be stricken from

the record.
"Both of these features — and this is especially deplorable - represent a very large step backward from Nairobi," Mr. Reinhardt said. Neither term was included in the 19th-conference resolution and.

Mr. Reinhardt added: "Langross exaggeration but most

cultural imperialism of the Arabs."

approval to several other resolu-

One of them, approved by the

demns Israel for what is termed the faulty education of Arabs in occupied territories. Similar resolutions

Today, the delegates approved a resolution on racism from which an amendment linking Zionism, the move for a Jewish homeland, to racism had been withdrawn by Arab states during committee consideration.

In other votes, the conference approved by acclamation a declaration on the news media from which implications of state control of the media had been removed. The resolution, as approved, calls for the "establishment of a new equilibrium and greater reciprocity in the

flow of information. However, the conference also passed a resolution asking for a declaration to be submitted to the 1980 conference on the status of the artist. New Zealand objected that some delegates had spoken of "social responsibilities of artists towards the state" - language simi-lar to that which Western nations found unacceptable in early drafts of the Unesco news-media resolu-

Nixon, in Paris, **Bars Seeking** Office Again

PARIS, Nov. 28 (AP) — Former President Richard Nixon told a French television audience tonight that he had no intention to re-enter politics but would continue to speak out on major issues.

Mr. Nixon appeared on the program, "Television Dossiers." broadcast live from the Ritz Hotel, where he answered questions from moderator Armand Jammot and from viewers.

"I have no plans whatever to reenter political life on the elected side," Mr. Nixon said. However, he added, he would continue to make his opinions known.

Referring to the U.S. political future, Mr. Nixon said: "The most important question is are we going to be around to enjoy

it, and, if so, are we going to be

He said he wanted to speak here because France and Frenchmen are not parochial. Mr. Nixon added that he felt especially close to France because of his political relationships with French Presidents Charles de

Gaulle, Georges Pompidou and Valery Giscard d'Estaing.

In Documentary on 1948 Mideast War

U.S. Film Allegedly Misidentified Jews

By William Claiborne

JERUSALEM, Nov. 28 (WP) - A recent controversial ABC-Television documentary purportedly showing Arab homes being burned and looted during the 1948 war actually depicted the opposite, according to some Israeli researchers.

Israeli sources said last night that what was

passed off as Palestinian suffering during the 10 weeks of fighting for the Old City in April and May, 1948, actually was newsreel film of Jews suf-fering at the hands of the Arab Legion and Palestinian irregulars. A film segment of ABC-TV's documentary, de-

picting 30 years of misery of hundreds of thou-sands of Palestinian refugees, was accompanied by a narration identifying the victims as Arabs of The film is said to have shown flames engulfing

homes, soldiers looting and occupants fleeing while the narration identified the victims as Arabs and the attackers as Jews. "Through fear and panic, a massive refugee problem was created. These frightened and suddenly homeless people became the Palestinian problem of today. They went to refugee camps in the Gaza Strip, Jericho and Nablus, on the West Bank of the Jordan River. . . In Amman and Beirut the Palestinians began their exile," the nar-

The documentary, notwithstanding the accuracy of the newsreel, resulted in a spate of criticism by Israelis, who charged that it was distorted and reflected a Palestinian bias. Israeli Prime Minister Menachem Begin is said

to have refused to conduct an interview with ABC-

TV's Barbara Walters during his visit to New York

earlier this month, because of his pique over the documentary. Israeli sources said Mr. Begin did not know it, but the newsreel film was taken on May 28, 1948, by a 20th Century-Fox Movietone crew that was filming from the Arab quarter of the Old City into

the besieged Jewish quarter. On that day, the last of the Jewish defenders of the Old City surrendered, ending almost 2,000 years of Jewish residence alongside the Western Wailing) Wall of King Solomon's temple. Arab

egion troops and irregulars moved in and the Jewish quarter soon was in flames. An Israeli living in New York, whom officials here would not identify, recognized the film and

began searching archives to identify it.
"Somebody sold this to ABC under false pretenses. They took the film and put it on, apparently without checking," said an Israeli source. He said the same footage had once been used in an Israeli-produced film depicting the suffering of Jews during the 1948 war.

INE FOCE ROMANIA

to speed commercial traffic, its mil-Yugoslav defense specialists.

rate this a serious practical risk, but the Yugoslav armed forces are geared to meet such a threat. If it ever happened, a Soviet land thrust would most likely come across

Western authorities no longer

SOFIA, Nov. 28 (Reuters) — The has space for 108 railroad freight via, 280 kilometers of Turkey, and pened a ferry link on the Black 150 Soviet T-62 tanks.

The has space for 108 railroad freight via, 280 kilometers of Turkey, and 400 kilometers of Greece.

But while the military potential

Yugoslavia has long feared a Sovi-et-led invasion, possibly in an at-tempt to restore Moscow's influ-

ence after President Tito dies.

Health major port of Odessa in the Soviet Hungary or Bulgaria.

Romania, also straddling a key line of communications between the Soviet Union and Yugoslavia is a reluctant Warsaw Pact ally and has said it will never be involved in

Vital Impact Is Seen in Black Sea Ferry

an attack against another country. If Soviet tanks were brought to the

Bulgarian coast, they would be within 480 kilometers of Yugosla-

While the ferry line was designed

itary potential was quickly noted reason for the ferry line.

is there. Western experts agree that economic necessity was the main

Bulgaria is closely tied to Mos-cow in both politics and trade. About one-half of its trade is with the Soviet Union. But apart from East Germany, it is the only War-

For years, the Soviet Union has been hampered in making deliveries to Bulgaria along the only land route available - across 200 kilometers of Romania's Dobrogea

saw Pact country without a Soviet

Soviet and Bulgarian officials have complained bitterly about de-lays in moving freight by train

across Romania, which they have

(Continued on Page 2, Col. 6)

Negotiators in Times Dispute Said Entrenched 2 U.K. Papers Likely to Shut Tomorrow

> by production staff. Neither the management nor the unions were predicting how long the newspapers would stay shut. Permanent closure of the 193-yearold Times is considered unthink-

> Today, the newspaper published its usual array of letters. Topics ranged from "preservation of ca-thedral cities" to "hormone treatment in prisons." One letter began: "In case the Thunderer [the Times'

ia's U.S. Senate election.

State elections officials yesterday

TLICHEVSK

VARNA BULGARIA

LONDON, Nov. 28 (Reuters) — through its threat to suspend publi-Hope was fading today for the cation of the Times and the Sunday Times of London, Britain's oldest Times until unions agree to sweepdaily newspaper, which seemed cer-

tain to suspend publication on Thursday because of a labor con-

The newspaper said in a frontpage report that the unions and the management remained entrenched in sharply opposed positions. The government has ruled out intervention, and there was increasing apprehension along Fleet Street home of the British press - that the dispute would escalate into the most explosive of many recent

Some militant printers were talk-

ing of eventually "shutting down Fleet Street" if management carries

newspaper labor problems.

ing new conditions of employment. Management has given the unions until midnight Thursday to accept proposals involving computer typesetting equipment, hefty cuts in production staff and an end to

wildcat strikes.
Some of the 4,300 employees have accepted but the most important groups of production men were refusing to meet with management for negotiations until the Times' board lifts its ultimatum, which was issued April 27. Management's proposals include

a commitment from the unions to

continuous production and mea-

sures to curb the power of shop-

Management contends that the Times (circulation 292,652) and the Sunday Times (circulation 1,392,230) have lost 13 million copies this year because of stoppages

nickname] is silenced on November 30 may I protest on behalf of your

readers at this tragic possibility."

and the second s

E

بإإربا

Cairo Aide to Deliver Message To Carter on Compromise Plan

CAIRO, Nov. 28 (UPI) — Premier Mustafa Khalil travels to Washington tomorrow with Egypt's latest ideas on how the deadlock in peace treaty negotiations with Israel might be broken,

He will convey to President Carter Egypt's reaction to a compromise U.S. proposal on the "linkage" issue which Egyptian officials said "could serve as a basis for negotiations."

The trip — the second by a high government official to Washington in two weeks — appeared to be part of a larger diplomatic offensive aimed at getting support for the Egyptian position.

Khalil Tour

Officials said that after a meeting with Mr. Carter Friday Mr. Khalil will visit Britain, France, West Germany, Romania, Austria and

Mr. Khalil will give Mr. Carter a letter from President Anwar Sadat assessing the situation in the deadlocked negotiations and suggesting ways of overcoming the difficulties.

The principal difficulty in the talks, which began Oct. 12, was the Egyptian demand for a timetable spelling out the steps of establishing Arab autonomy in the West Bank and Gaza Strip.

Egypt wanted the transition to

self-rule synchronized with a par-tial Israeli withdrawal from the Sinai, both to be completed in nine

When this was rejected by Israel

Steel Strike In Germany

(Continued from Page 1) eliminated since the mid-1960s, is

to shorten the work week. Eugen Loderer, the union president, who was greeted with shouts of "Hang tough, Eugen!" when he visited Hoesch's plant in Dortmund before dawn, has said that the outlook in the industry is such that the work week would have to be cut to 16 hours by 1985 in order to maintain the current work force.

"If you don't change the work hours," he said, "then you'll have to cut the work force in half by 1985." The employers point out that the union itself recognizes the weakened condition of the steel industry, which was operating be-fore the strike at about 65 percent

Orders Are Down

Many companies are running at a loss, orders for rolled steel were off by 12 percent last month, and imported steel accounted for 40 percent of sales in the country dur-

ing the summer.

Cutting the work week, in the minds of German employers.

The likely mean hiring new men, wide "equity" for Americans living cause of the high social and fringe benefits that they are paid.

"In the end, cutting the work week will sharply weaken our competitiveness and will eliminate rather than save jobs," said Franz Josef Weisweiler, chairman of the management group. The hard character of its position seemed to go beyond the steel industry, taking on the aspect of a battle against what seems to be regarded as a union attempt to set up a bridgehead for a general attack on the 40-hour

week in the country.

The strike was also being closely watched throughout Europe. Similar negotiations on a 40-hour week are going ahead within the Dutch steel industry and Swiss newspapers commented that the strike had a special significance for the Swiss Language Law steel industry.

Attitudes toward cutting the work week have varied widely. Steelworkers in Belgium began a 39-hour week this month that will be reduced to 38 hours in July and to 35 by 1980. In Sweden, however, the metalworkers do not consider cutting the 40-hour steel industry week as feasible, except in special

Dutch Talks Fail On Wages Pact

THE HAGUE, Nov. 28 (Reuters) Talks between the government, unions and employers on a central wage agreement for next year failed last night, when the unions rejected government proposals to curb Social Security payments.
Social Affairs Minister Willem

Albeda said that he was disappointed that the proposals were not accepted by the unions because they were fully adequate and provided the possibility of a good social-eco-

place at the industry and company

Egyptian officials said the U.S. compromise, calling for autonomy by December of next year, could serve as a basis for negotiations."

The authoritative Al Ahram newspaper said that Mr. Sadat's letter to Mr. Carter reflected the Egyptian position that the U.S. proposal could serve as a basis for negotiations with the aim of realizing linkage and a commitment to the establishment of full autono-

Another dispute centers on Egypt's commitments under a 1950 joint Arab defense pact that obligates it to assist other Arab states militarily if they are attacked. Israel argues that a clause in the draft treaty makes such commit-ments null and void, but Egypt re-

jects the Israeli interpretation. Hints dropped by officials and state-controlled newspapers sug-gested that Egypt might seek an amendment or the rephrasing of

Carlos of Spain **Stresses Rights** To Argentinians

BUENOS AIRES, Nov. 28 (AP)

— King Juan Carlos of Spain told leaders of Argentina's military regime yesterday that "political order and social peace can have no other foundations that the divine of the countries of the control of the countries foundations than the dignity of the person, the inviolable rights of man

nd respect for the law." The monarch, speaking at a state dinner in his honor, did not criticize his hosts, but emphasized that his government believes terrorism and social upheaval can be dealt with "by peaceful means, that these problems can be tackled and resolved politically."

President Jorge Videla, respond-ing to his guest's remarks, said the military took power in March, 1976, supported by the Argentine people, "to recover the national dignity and human rights that were affronted by terrorist aggression."
He said the regime would eventual-

ly restore democratic rule. Meanwhile, Foreign Ministers Carlos Pastor of Argentina and Marcelino Oreja of Spain worked out details of economic accords expected during the visit as Juan Carlos went about Buenos Aires, greet-ed by thousands shouting "Long

Congress May Reconsider Its Overseas Tax Measure

(Continued from Page 1)

The cost-of-living deduction will be based on New York prices. It will only apply to the first \$33,000 of income.

In private conversations, Rep. Ullman indicated that the cost-ofliving deduction could be redrawn if it proved unfair to individuals in high-income brackets.

Value-Added Tax

While U.S. citizens in Europe pay value-added tax on products they buy, this tax will not be credited against U.S. income tax. Rep. Ullman said he doubted this could ever change. He indicated, however, that personal income tax rates in the United States could eventually drop if a value-added tax was

Is Rebuffed by **Ouebec Court**

MONTREAL, Nov. 27 (UPI) --The Quebec government said yesterday that it would seek support for its language law in the Supreme Court of Canada, following a unanimous ruling by the Quebec Court of Appeals that a key part of Bill 101 is unconstitutional.

Earlier yesterday, the Quebec court, sitting with seven justices in-stead of the normal three, unanimously upheld a lower court ruling that Chapter 3 of the legislation contravened the terms of the British North American Act, Canada's

constitution. The disputed chapter stipulates that French is the only official language of the Quebec courts and leg-

The bench agreed with the ruling of Quebec Superior Court Chief Justice Jules Deschenes that the

instituted there. He said he was "completely committed" to that. If U.S. income tax rates came down, so would the tax bill of Americans

Moreover, the two former Mid-dle East antagonists appeared di-

vided on the very principle of whether the negotiations, which

bogged down more than two weeks

the talks. "We insist on [additional] negotiations." Mr. Khalil said

Egypt is urging a resumption of

The newspaper Al Gomhouria

said the talks should be resumed

on the basis of placing the Egyp-

tian remarks on the negotiating table."

ers further negotiations unneces-

Ian Smith Wants

SALISBURY, Rhodesia, Nov. 28

(AP) — Prime Minister Ian Smith said today he will greet U.S. and British envoys here next week with

just one request — to name the date and venue for peace talks with black guerrilla leaders.

After a meeting at his office with

his black colleagues in the transi-tion administration, Mr. Smith spoke to reporters as U.S. and Brit-ish envoys Stephen Low and Cledwyn Hughes were to arrive in

Tanzania on the first leg of a swing

through Africa. He said:
"When they come, we will say,"

Mr. Smith also maintained that

the Western powers have promised that the conference will go ahead

Nkomo, co-leaders of the Patriotic

Front guerrilla alliance, refuse to come. Mr. Nkomo said this week

that an all-party conference was a

Mr. Smith said: "The British and

American governments have told

us that if any of the parties refuse

to attend this conference, then they

will go on without them. That is a

very important point. Are they going to have the determination, strength and courage to do that?"

discuss?"

Date and Place

To See Rebels

But Israel, which approved the text of a treaty that makes only a vague reference to linkage, consid-

ago, should be continued.

Rep. Ullman said he did not know the impact the new tax bill would have. He said he welcomed concrete examples once the law went into effect. He indicated he could be persuaded to modify it if substantial numbers of Americans had to leave Europe. "We want to keep a viable American presence around the world," he said.

The situation of Americans residing overseas has been confused since Congress enacted the 1976 reform. That law reduced the income exclusion to \$15,000 and taxed remaining income at higher rates. The law never went into effect. The current bill was passed two years later.

While Rep. Ullman acknowleged there had been communications problems between Americans abroad and Congress, he discounted the idea of special congressional representation for overseas Ameri-

"You are not the forgotten Americans." he said to members of the Tax Institute at a Japanese hotel on the Seine. "We want to give you the representation and the equity you deserve. This is a participatory government."

Democrat Declared S. Dakota Winner

PIERRE, S.D., Nov. 28 (AP) -Tom Daschle, a Democrat, won election to the U.S. House of Representatives by 14 votes, the South Dakota Canvassing Board announced yesterday.

The board said Mr. Daschle had received 64,661 votes to 64,647 for Leo Thorsness. Mr. Daschle was one of the few Democrats to survive the Republican landslide in the state on Nov. 7.

Davan to Visit Switzerland



PROTEST RESTRAINED — A policeman holds back an Iranian student Monday outside the Mormon Tabernacle in Salt Lake City during a speech by President Carter. About 200 Iranians were protesting U.S. support for the shah. A scuffle broke out and five persons were arrested.

A Result of Intelligence Review

U.S. Has Contacts With Iran Opposition One of the most worrysome gaps, according to official sources, is the

By Don Oberdorfer WASHINGTON, Nov. 28 (WP) - The United States in recent weeks has initiated substantial and continuing contacts with the opposition to the Shah of Iran and has informed the shah that it was doing so, according to administration

'We are ready for an all-party con-ference, give us the venue and the date.' What else is there to The contacts, coming after years of minimal connections to the in-ternal forces opposing the Iranian leader, are among the early results of growing displeasure in the White House with U.S. Embassy and intelligence reporting on political de-velopments in that strife-torn couneven if Robert Mugabe and Joshua

> President Carter, in a handwrit-ten memorandum dated Nov. 11 and leaked to two newspapers late ast week, expressed dissatisfaction with the quality of "political intelli-gence," with particular reference to Iran, and ordered a top-level review of the subject.

White House Press Secretary Jody Powell, speaking to reporters in St. Louis yesterday, confirmed the substance of the memo, but insisted that it "wasn't a chewing out" of Central Intellience Director

Informed officials said a report from Mr. Turner, Secretary of State Cyrus Vance and National Security Adviser Zbigniew Brzezinski is due shortly at the White House to analyze the intellience failures on Iran and make recommendations for remedying the underlying defects.

The administration is expected to move with great caution in contacts with opposition groups and other changes in its reporting efforts in Iran, in view of the tense conditions there. The next two weeks, culminating in the high point of a Moslem holy period on Dec. 11, is considered a particularly difficult period.

Any shifts in policy or operations that would be seen in Tehran as undercutting the shah would go against the strong thrust of U.S. objectives there.

But at the same time, failure to remedy the intelligence deficiences would leave the United States flying blind in a still-developing situation of great international importance, according to concerned offi-

However, the sudden public warning by Soviet party leader Leonid Brezhnev on Nov. 19

against U.S. interference in Iran is seen by some U.S. observers as potentially the beginning of a new

phase.
Soviet press organs had been unusually restrained during the buildup of Iranian unrest, but since Mr. Brezhnev's statement, Radio Mos-cow has attacked "imperialist meddling" in Iran, endorsed the struggle to oust Western military and nonmilitary advisers and por-trayed the Soviet Union as the protector of the Iranian masses against foreign interference.

A draft CIA assessment of mid-August, which was circulated among several government agencies before being rejected by top CIA officials, reported that "Iran is not in a revolutionary or even pre-revolutionary situation."

Several weeks later, well-coordinated demonstrations involving more than I million people in Tehran alone disproved the opti-mistic estimate — but U.S. intelligence reportedly had little information on how the demonstrations were planned, organized or funded,

By Craig R. Whitney

MOSCOW, Nov. 28 (NYT) -

Leonid Brezhnev to the inner circle,

but the shifts gave no hint of who

met and elevated Konstantin Cher-

nenko, a 67-year-old protege of Mr.

Brezhnev, 71, to full membership in

the ruling Politburo. Mr. Chemen-

ko, who is one of the national party

secretaries under Mr. Brezhnev, the

party general secretary, had been

since October of last year.

an alternate, or nonvoting, member

A first deputy premier, Kirill

Mazurov, 63, reportedly ailing, was dropped from the Politburo "for

reasons of health and at his

Instead, another first deputy pre-

mier, Nikolai Tikhonov, 72, was made an alternate member of the

Politburo. So was the party leader

of Georgia, Eduard Shevardnadze,

his successor might be.

Union, which shares a 1,200-mile border with Iran and has twice occupied parts of northern fran since World War II.

scarcity of information about the

current activities of the Soviet

Close Relations The Russians have informed the shah and the United States that they had no part in the unrest, and there is said to be little hard evidence to the contrary.

ternal matters.

MOSCOW, Nov. 28 (NYT) — The shifts had been expected since the death in July of Fyodor promoted several allies of President Kulakov, a Politburo member who

The party's Central Committee ble for agriculture, which, Mr. Bre-

There is a consensus among U.S. experts on Iran that the extremely close U.S. relations with the shah and the CIA's partnership with his secret police agency, Savak, impeded the development of independent sources of reporting on Iranian in-

Some sources said there was an agreement with the shah, either explicit or tacit, that the United States would have nothing to do with his opponents.

Given the extensive Savak appa-

ratus, it was considered almost impossible to have any level of contact with opposition forces in Iran without the shah's knowledge.

No Hint of Successor

Moscow Promotes Brezhnev Allies

alistic republic since September,

at the age of 60 had been viewed as a possible successor to Mr. Bre-

zhnev. Mr. Kulakov was responsi-

zhnev noted yesterday, remains a

Mikhail Gorbachev, the 57-year-

old party leader of Stavropol prov-

ince, an important farming area in

north Caucasia, was made one of

the national party secretaries, pos-

sibly in charge of agriculture.

Politburo members.

pointing men loyal to him.

checkered sector of the economy.

To 30,000

U.S. Plans to Double Its Refugee Quota

WASHINGTON, Nov. 28 (NYT) - The Carter administration has decided to seek congressional sup-port for allowing 15,000 more Vietnamese boat refugees into this country by May, doubling the quota previously set.

As a result of the dramatic rise in

the number of the "boat people" fleeing Vietnam and seeking haven in Malaysia and elsewhere, the administration has tried to take the lead in finding permanent homes for the refugees, most whom are ethnic Chinese

ethnic Chinese.

Earlier in the year, when 1,500 to 1,700 refugees were fleeing monthly by boat, the United States set a quota of 12,500 such boat people to be allowed entry through next April 30. Another 12,500 Laotians and Cambodians, who had fled overland into Thailand, were also to be admitted.

But the number of boat people has jumped to 20,000 a month, the most dramatic manifestation being the plight of the freighter Hai Hong, with 2,500 Vietnamese nationals aboard, mostly ethnic Chi-

Until last week the boat was denied haven anywhere. The attention paid the Hai Hong, last refused admittance by Malaysia, generated a major policy review by the Carter administration. As a result, Attorney General

Griffin Bell announced that he would use his emergency authority to allow into the United States 2,500 Vietnamese boat people now in camps in Malaysia — exactly the number on the Hai Hong. This was to encourage the Malaysians, with nearly 40,000 refugees already in crowded camps, to permit the Hai Hong to dock. Other countries fol-

Italian Priest Guilty Of Arson, Homicides

BELLUNO, Italy, Nov. 28 (UPI)

— A priest accused of arson and multiple homicide was convicted yesterday and sentenced to four years in prison for his part in a 1976 hotel fire that cost the lives of six persons and badly injured nine. Don Giuseppe Giacomoni, 55, was held responsible for an April 12, 1976 blaze that ravaged the Do-

lomite residence in the town of Sappada, near Belluno. The priest managed the residence on a partlowed suit with offers and Malaysians relented. That brought the total of

people to be admitted by April to 15,000. Officials said years that Mr. Bell would meet with members of the House lude Committee, which handles is gration matters, to consult o need to allow the additional is boat people into the United - making a total of 30,000

people by April 30.

In addition, the administrative wants to admit 4.575 more Can dians now in Thailand camps about 3,000 political prisoner Cuba.
The Carter administration

tends to submit legislation year allowing more refugees to ter the United States on a reg

Malaysia Asks Carter Ald BANGKOK, Nov. 28 (NYT) The Malaysian government is dressing an urgent appeal to be dent Carter to inspire a major in national effort to provide and for the growing flow of relationship

from Vietnam.
"Mr. Carter, please take the among nations of the free work" the home affairs minister, Ghar Shafie, planned to say in a spe-today. Do something quicks the text continues. Mr. Ghaza the Cabinet member in charathe refugee problem.

Malaysia is the principal desti-tion of those who set out across South China Sea from Vietnam fishing boats. Refugees are arrive in Malaysian camps at the rate

about 1,000 a day.

In a speech prepared for deing to senior Southeast Asian mile.

officers and officials in Kin Lumpur, Mr. Ghazali wrote: "Countries who contribut toward the creation of this probi just cannot turn their heads wish it away. They are not fulfill their obligations in the content human rights simply by offer money to the United Nations is commissioner for refugees and d tating at a distance what Malay should or should not do. Co

science money is not the answer.

Mr. Ghazali wrote that the Ur States held the key to the pro lem. As long as the Vietnamese lieve the United States will even ally accept them, the flow: Malaysia, which in many cases abetted by Vietnamese authoriti will continue, he said. He added:

"And so, I think, the time! come when Mr. Carter has to provoked into making a delin stand in the spirit of human rig with regard to these miserable p ple. If the United States sincerely prepared to receive the people, then no limit or criten their entry into the United St should be placed."

2d Group to Canada KUALA LUMPUR, Malay Nov. 28 (Reuters) — A sex group of Vietnamese refugees 161 of them - from the freigh Hai Hong left Malaysia today

Tanzanians Raid Ugand

(Continued from Page 1) Mr. Obote went into exile in Ta

zania In 1972, armed Ugandan ed invaded southern Uganda for Tanzania but they were crush rapidly by the Ugandan Arm Uganda has repeatedly report border clashes and invasion thra from Tanzania but this week Tanzanian invasion of Uganda the first confirmed by independe

Tanzania Denies Invasion DAR ES SALAAM, Tanzan

Nov. 28 (AP) — Tanzania today beled as a new lie a Ugandan da that thousands of Tanzanian troop have penetrated Uganda. A statement issued from Tan nian President Julius Nyerere's ice called the Ugandan claim smokescreen intended to con-

Ugandan preparations for a minvasion of Tanzania. The statement said, "Tanza harbors no claim on an inch Ugandan territory. She has done so in the past nor does intend to do so in the future."

Amin Appeals to World Leader

NAIROBI, Nov. 28 (AP) Marshal Amin today appealed United Nations Secretary-Gent Kurt Waldheim and other wo leaders for help in ending the calating border conflict with Ta zania, Radio Uganda reported. The appeal in a message ass mas wade to the leaders of the Or ganization of African Unity and s the Arab League.

Pentagon to Tighten Security on Launches

COCOA, Fla., Nov. 28 (AP) The Defense Department has cided to enforce a 1968 directive dering that all military launching

be kept secret until after lifter. Florida newspaper said today.

Vandenberg Air Force Base in California has followed the policy. but officials at Cape Canavers have publicized most military launches several days in advance

who has presided over that nation-Carter Warns U.S. Urban Leaders They Face Cuts in Federal Funds

ST. LOUIS, Nov. 28 (AP) — President Carter, declaring that "no aspect of government will be sacred," warned urban leaders in the United State of the Property the United States yesterday that the next federal budget will be "very, very tight" and that they will have to exercise restraint to help

fight inflation.

All of you have been through the budget cycle yourself, and you know what it is to face unlimited demands with limited resources," he told the board of directors of the National League of Cities.

In an earlier speech before the league's annual convention, Mr. Carter pledged "to do this without starving useful programs." He said repeatedly that military spending would be scrutinized as carefully as domestic programs, but he did not say military spending would be cut.

Mr. Carter is committed to cut-

for leaders of the municipal lobby-ing group, he said, "The 1980 budget will be very, very tight."

Hussein Back From Iran AMMAN, Jordan, Nov. 28 (UPI) King Hussein returned today after a three-day visit to Iran for talks

HARRY'S N.Y. BAR ® 5 rue Daumou, PARIS

Falkenturm Str. 9 Munich.

Following his appearance before the mayors, Mr. Carter flew to Salt Lake City, where he accepted a "family unity award" from the Mormon Church. In a speech in the Mormon Tabernacle, he praised the church and criticized "our modern, mobile, permissive society."
Five Iranian students were ar-

rested in scuffles outside where the president was speaking. They were among 200 Iranians protesting U.S. support of the shah of Iran.

the exploitation of religious groups by those who have caused incidents at religious ceremonies in the past.

tests erupted 11 months ago. Religious passions among Iran's 32 million Shiite Moslems run high

Processions Ban Imposed by Iran For Holy Month TEHRAN, Nov. 28 (AP) - Iran

today banned religious processions during the Moslem holy month of mourning. Moharram, that begins Dec. 2, in an attempt to head off further violent protests against the rule of Shah Mohammed Reza

The move was likely to intensify opposition to the government, especially among the mullahs, or Moslem priests, who have led much of the campaign against the 59-year-old shah since the bloody pro-

during Moharram. The emotional peak of the month is expected to be Dec. 10 and Dec. 11, when the faithful whip themselves in mourning for the martyred Imam Husein, grandson of the prophet tives for private use is unconstitu-

Strategic Impact Is Seen In Black Sea Ferry Link the wide-gauge Soviet railroad cars have to be narrowed by 85 millime-(Continued from Page 1) blamed on Romanian bureaucracy and antiquated handling methods. ters before they can run on In some cases, Soviet diplomats Romanian, Bulgarian or other Eu-

have hinted at official interference. Romanian laws barring passage of foreign troops have made it nearly impossible for the Soviet Union to send troops to Bulgaria for joint maneuvers, except by sea.

One of the problems is a difference in gauge between Soviet railway lines and those elsewhere in Europe. The wheel assemblies of

Contraceptives Sold in Dublin To Test a Ban

DUBLIN; Nov. 28 (UPI) — A shop in central Dublin started selfing contraceptives across the counter today to test the law prohibiting such sales. The shop was set up by the Con-

traceptive Action Program; which is leading a campaign to force the government to repeal the ban in the strongly Catholic republic. The importation and sale of con-

traceptive devices is a criminal of-fense in Ireland. A recent Supreme Court ruling, however, declared that prohibition of the importation of contraceptional,



zhnev became a national party sec-retary under Nikita Khrushchev Mr. Chernenko has been closely and made Mr. Chernenko head of associated with Mr. Brezhnev since the early 1950s, when he served as his personal staff.

Adjustments Slow

The slow methods used in adjust-

ing the wheel assemblies at the

Soviet-Romanian border contribut-

ed heavily to delays, and Romania refused Soviet demands for a wide-

gauge line across Dobrogea.

While the same problem is faced when the 70-ton railroad cars are

unloaded from the ferryboats at Ili-chevsk and Varna, Bulgarian offi-

cials say they are using much faster

techniques.

Varna port authorities claim they
can now lift 12 cars at a time, com-

pared to only 3 under old methods,

and they say a ferryboat with 13,000 tons of cargo can be unload-ed and made ready for marshaling

yards in seven hours. From Varna,

54 railway lines transport cargo

Officials say that at the outset 4.5 million tons of cargo will be

carried annually by the ferryboats.

TOKYO, Nov. 28 (UPI) - Two

weak earthquakes shook Japan's central Pacific coast today, but

there were no reports of casualties

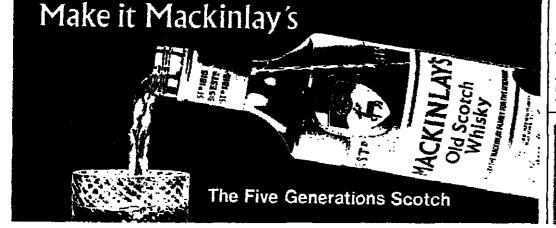
or damage, the Meteorological

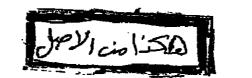
2 Quakes Shake Japan

throughout Bulgaria.

Agency reported

chapter violates the section of the TEL AVIV, Nov. 28 (UPI) ting his 1980 federal budget by be-tween \$15 billion and \$20 billion to achieve a deficit of no more than British North American Act that Foreign Minister Moshe Dayan will visit Switzerland for two days Wage bargaining will now take guarantees the use of both English are at the industry and company next week, the Foreign Ministry level, as in previous years when lature of Quebec and the federal \$30 billion. The president left little doubt central talks had also broken down. government. that urban programs will be reduced. At a 15-minute briefing The military-led government said that the ban is intended to prevent





Telegraphy Idealistic'

By W.B. Rood

which had in the fatal shooting yesterday of in the state have the fatal shooting yesteruay or the state have fayor George Moscone and Sumit the state with fayor Harvey Milk was portionally ayed by friends and associates as have have the state of the state o tion, the sung conservative who "thought dont 4.5" be could change things."

11 Halling cost recently and then was refused

instalement, was seen as a aunch supporter of law-and-order auncar supported to both the city withing length and fire departments, on the more than a supervisor a little more than a

"He was very nice, very conserv-in a Add Carons — very idealistic," said a color — very idealistic," said a color — very idealistic, said a color — very idealistic, said a urgent and He thought he could change

in the state of th Her please mpered side to the Vietnam veter-

Black and White

The make

"He was not a very compromis"He wa the process as than an hour after the snooth the process at San Francisco City Hall. The state of the state o th Preparet Mr. White won his supervisorial Alection last year in a door-to-door ind official ampaign that emphasized the im-

who elent crime.

The people in my district didn't be readed lives just to be the work their whole lives just to be The state their own homes," he aid during the campaign. "We've ot to stand up to the criminal elenent in this city."

for for letters Mr. White was scheduled to decive a commendation for hero-Site that I so son this week for saving a woman and child from a blazing building Caratagust, 1974.

Not the Type

Fire Chief Andrew Casper said Challe in the ever appear to play the role of North any ozneone who would assassinate a he he has pajor figure — more the other way, omeone who would protect. He i i as a paratrooper, a former police \\ \ flicer and a firefighter." Growing up in San Francisco, custody.



Former San Francisco Supervisor Dan White, left, after surrendering in connection with the slavings of Mayor George Moscone and Supervisor Harvey Milk on Monday in City Hall.

Mr. White had an all-American image — captain of both his high school football and baseball teams and later a Golden Gloves fighter. In Vietnam, friends said, Mr. White was a combat paratrooper.

"He wrote me a lot while he was over there," a family friend said. "He said the war was stupid. Fight for a hill one day and then come back and take it again two days lat-er — the kind of thing you heard from a lot of guys who were there."

Did the war change him much? "Not that I could see," the friend

U.S. Police Recover 3 Monet Paintings

SANTA BARBARA, Calif., Nov. 28 (UPI) — Three paintings by Claude Monet stolen last weekend from the Santa Barbara Museum of Art were recovered yesterday, the police said.

The impressionist paintings, valued at \$1 million, were the three most valuable in the museum's collection. Police said the paintings were returned to a museum employee, and two suspects were in

Mr. White surprised friends when he decided to get married a

little more than two years ago.
"He was always a very independent person, and his family used to say, 'Ah, he'll never get married'," said the friend. "Then he met Mary Ann [his wife] and she changed all

Mr. White's friends describe him as a man who is quick to take on a challenge, a trait they say could have made his losing battle to be reinstated to the Board of Supervisors an unbearable defeat.

He resigned from the board Nov. announcing that he couldn't support his wife and 4-month-old child on the \$9,600 a year the job paid. About a week later, he changed his mind and requested that his resignation be withdrawn. At first, Mayor Moscone, 49, in-

dicated that he would reappoint Mr. White to the job. Then he reversed his decision. The mayor had called a press conference vesterday to announce he was naming Dan Horanzy, a real estate loan officer.

Friends say Mr. White thought the mayor had caved in to political

O Las Angeles Times

the Greek classic

When 'Probable Cause' Criterion Not Met

U.S. High Court to Rule on Questioning of Suspects

- The Supreme Court yesterday accepted an appeal of a New York murder conviction and agreed to decide whether the police can con-stitutionally hold a suspect for pregnancy. questioning when they do not have enough information to sustain a valid arrest.

The issue is a significant open question in criminal law, and is one that the court has specifically declined to rule on in earlier cases.

The case, Dunaway vs. New York, involves a young Rochester man, Irving Dunaway, who was picked up for questioning after a police informant linked him to a robbery and fatal shooting that took place several months before.

At the police station, he made incriminating, statements and drew sketches of the murder scene. At his trial, he asked that this evidence be suppressed on the ground that the interrogation had actually been an illegal arrest.

But the trial judge and the New York appellate courts ruled that under New York law a suspect could be held for questioning on a "reasonable suspicion" of involvement in a crime, even if the suspicion and the suspicion with a suspicion and the suspicion and th cion did not rise to the level of "probable cause" needed to make a legal arrest. The detective in the case conceded that he did not have probable cause for an arrest when the young man was brought in.

Dunaway's appeal reached the Supreme Court once before, in 1975, when the justices sent his case back for reconsideration. That time, the lower court ruled that the arrest had been illegal, but the New York Court of Appeals reaffirmed the conviction.

Other Supreme Court action yesterday included: In a case involving a claim of un-

constitutional police conduct in West Haven, Conn., the court vacated a U.S. appeals court decision that municipalities could be sued directly under the 14th Amendment for unconstitutional actions of their employees.

The justices told the 2d U.S. Circuit Court of Appeals to reconsider its decision in the light of a subsequent Supreme Court decision that cities can be sued under the Civil Rights Act of 1871. The apparent effect of yesterday's action is to cut off, at least for now, an expanding area of constitutional law. The jus-tices seem to be saying that if a specific law grants a remedy, there is constitutional right.

The court let stand a decision by Blast Kills 1 in U.S.

CLINTON, IIL, Nov. 28 (UPI) propane gas explosion at the construction site of the Illinois Power nuclear plant near Clinton killed one worker and injured another yesterday.

which rejected United's claim that vidual states.

WASHINGTON, Nov. 28 (NYT) the Appellate Division of the New the policy was required by concern York State Supreme Court that for passenger safety. The division ccepted an appeal of a New York United Airlines could not legally ordered the airline to allow require its stewardesses to take an stewardesses to fly until the seventh unpaid maternity leave in early month of pregnancy unless doctors' reports showed a medical reason The case, United Airlines vs. not to continue working. United State Human Rights Appeal Board bad sought a Supreme Court review on the ground that an interstate York-based stewardesses to the carrier should not be bound by the State Division of Human Rights. fair employment legislation of indi-

action, if any, will come not from

are increasingly unfriendly to First

"You can't obscure the impact in

technical jurisdictional arguments,"
Jack Landau, director of the Re-

porters Committee for Freedom of

the Press, said yesterday. "The Su-preme Court knows what's going

on, and the bottom line is that

newspaper can no longer rely in good faith on the First Amendment

Stand by The Times

Arthur Sulzberger, publisher of The Times, said that "it is imperative for a free press to have the Su-

preme Court rule on the critical is-

In his statement after the court's

action was announced yesterday.

Mr. Sulzberger said: "It continue

to remain my firm belief that Mr. Farber operated in the best tradi-

tion of a free press and the First

Amendment when he surfaced in-

formation of unexplained deaths.

Further, he did his reporting under the full guarantee of a shield law

passed by the New Jersey Legisla-ture but later ignored by New Jer-

sey judges.
"It would seem simply logic that

before a reporter goes to jail and The Times pay fines there be a

hearing to determine whether the

shield law, which still stands on the

books, is real or made of papier-mache. No such hearing was held,

and now the United States Su-

preme Court has let that situation

porters and editors.

or a shield law."

sues raised in this case."

N.Y. Times and Reporter **Denied a Court Review**

WASHINGTON, Nov. 28 (NYT) Refusal by the Supreme Court to review a lower-court decision is not The Supreme Court said yesterday that it would not review the a decision on the merits of the case contempt of court convictions of The New York Times and its and cannot itself be cited as a precedent. The New Jersey Supreme reporter, Myron Farber, for their Court decision is law only in New Jersey, and other state supreme refusal to turn over Farber's notes in a New Jersey murder case.

The justices' action leaves standcourts, most recently Wisconsin's, have decided roughly similar cases in the opposite way.

So the impact of yesterday's

ing a ruling by the New Jersey Su-preme Court that neither the U.S. Constitution nor the New Jersey its significance as a legal precedent but from how it adds to a public law designed to protect reporters and their sources permits a reporter perception that the nation's courts to refuse information demanded by a defendant in a criminal case. Amendment claims made by re-

Because the murder trial is over, the court's refusal to hear the newspaper's appeal has no immediate effect on any of the parties. The Times has paid in full its civil and criminal contempt fines totaling \$285,000.

Farber, 40, had been given an open-ended sentence for civil contempt, on which he spent 39 days in jail. It ended Oct. 24, when a Bergen County jury acquitted Dr. Mario Jascalevich, 51, of charges that he injected three hospital pa-tients with lethal doses of curare, a powerful muscle relaxant.

After the acquittal, Farber's sixmonth jail sentence for criminal contempt was suspended perma-

Nevertheless, yesterday's action may well have an effect on the delicate and shifting balance between the constitutional guarantees of the right of a free press and the right to a fair trial, at least as that balance is struck by state judges around the country and perceived by trial law-

Negative Effects Seen

Some press observers believe that the highly publicized case has al-ready had a negative effect on the ability of reporters to do their jobs, as measured by a rapidly growing number of courtroom demands for reporters to testify or turn over their notes, and by a reluctance on the part of potential sources to talk to reporters who might not be able to protect their confidentiality.

The court agreed to hear an appeal by an Orange County, N.Y., adult bookstore owner from a conviction on state obscenity charges resulting from the seizure by local police of nearly 800 books, magazines and films from his store.

The bookstore owner contended that the search warrant was deficient because it listed only two specific films, and that the six hours a local judge spent in his store looking through the hundreds of maga-zines could not possibly meet the constitutional standard that works must be "taken as a whole" before iudged obscene.

Abortion The justices declined to hear a constitutional challenge to a Cleveland zoning ordinance banning abortion clinics in a "local retail business district." The ordinance had been passed only after the abortion clinic in question signed a 10-year lease, obtained the necessary permits and was ready to open. The lower U.S. courts had

refused to grant an injunction against the ordinance.

The court refused to hear a challenge to a rule of the South Carolina Supreme Court denying the right to practice law to anyone who is not a graduate of the state university's law school or of an American Bar Association-np-proved school. The plaintiff had practiced law in Georgia for eight years but was denied the right to take the South Carolina bar exam because he had graduated from a nonapproved law school.

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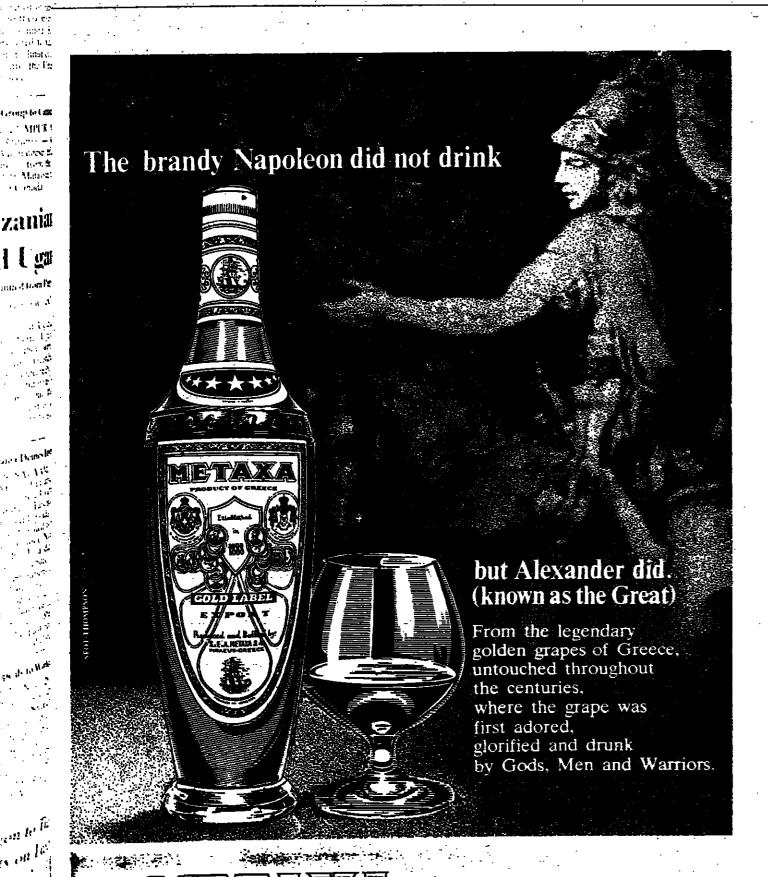
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Top Officer Resigns Bonn Military Post

By Michael Getler

was on vacation at the time.

That situation did not raise the

Personal Problem

Today, Mr. Apel stressed that Gen. Wust's resignation reflected purely a personal problem and was

no crisis for the Bundeswehr, the German armed forces.

Gen. Wust became the top offi-

troverted officer, according to Ger-

ning. When Gen. Wust showed up

who was to greet him was not there.

Do-It-Himselfer

Given 'Job' by

U.K. Neighbor

Drive" - lived in the next house

and "was doing repairs and renova-tions from 7:30 to 11:30 every sin-

Mrs. Holmes went to the police,

the local government, even the Citi-

zens Advice Bureau. All said Mr.

stalled picture window.

1,000 Barrels of Oil

Leak in East River

NEW YORK, Nov. 28 (UPI) -

An oil barge ran aground in the East River today just off Gracie

Mansion, the mayor's residence, and leaked 1,000 barrels of light

heating oil, the Coast Guard

The barge, which was carrying 160,000 barrels of oil, floated free

REALISATION OF DICK PRICE

AHTIE YJ 132502220. Parline oo inco

Watch for this feature every

MONDAY, WEDNESDAY

PARIS AMUSEMENTS

Cinemas - Theaters - Restaurants - Neght Clubs

Oysters and Game

his window.

BONN, Nov. 28 (WP) — West Gen. Wust, at the time, had of-Germany's top military officer — fered his resignation but it was Gen. Harald Wust — today abrupt- turned down by former Minister ly resigned his post because he apparently did not get along with Bonn's civilian defense minister, Hans Apel.

Mr. Apel, appearing at a hastily timed down by former Minister Georg Leber. The general came under much sharper for recently from the parliamentary defense committee when he did not appear for their discussions over Awacs. He

called press conference, expressed shock and surprise at the four-star general's resignation and at the rea-sons cited by the general for that resignation. Gen. Wust. 57, had general's stock with senior U.S. military officials, as well. The defense committee today only served two years as West voted its approval for a Bonn con-Germany's inspector-general, the tribution to NATO for purchase of top post overseeing all three a fleet of 18 Awacs planes. Bonn branches of the armed services, and will pay about \$550 million, roughwould normally have served another three years.

The general, a gray-haired, soft- unenthusiastic about the project. spoken officer who first joined the German Air Force in 1939, had been in trouble with some Social Democratic members of parliament in recent weeks but apparently did not cite those problems as the reasons which he supplied to Mr. Apel for his resignation.

Basis of Trust

Instead, Gen. Wust, according to Mr. Apel, said he no longer felt there was a basis of trust between there was a basis of trust between man military specialists, and never the two men. Gen. Wust said he felt as though his military advice was ous as a leader, although some prenot asked for enough, especially in the case of a recent reorganization of the German Army and in the

fer such a man at the top here.

Mr. Apel, the specialists say, nev-er had much confidence in his plan-Bonn government decision on whether to buy the expensive U.S.- at a big U.S.-German military developed Awacs airborne warning maneuver this fall, the U.S. general and control aircraft.

Mr. Apel rejected all of these It was all just an embarrassing mix-harges and to Gen. Wust's claim up, everybody agreed. But "it was the had been unable to see Mr. Apel much during the last four happen to Gen. Wust," an officer charges and, to Gen. Wust's claim that he had been unable to see Mr. Apel much during the last four weeks. Mr. Apel said that the general had been on vacation for two of those weeks.

Gen. Wust had come under attack by some in parliament — in-cluding a demand for his resigna-tion — for his alleged delaying for about 18 months of an assessment of the damage caused to security by an East German spy ring that had been operating at high levels in the Defense Ministry until ununcov-

Even the Score

The former Social Democrat civilian defense minister had to resign over that affair although no military man resigned and some observers here see some Social Democratic politicians as taking the opportunity to even the score.



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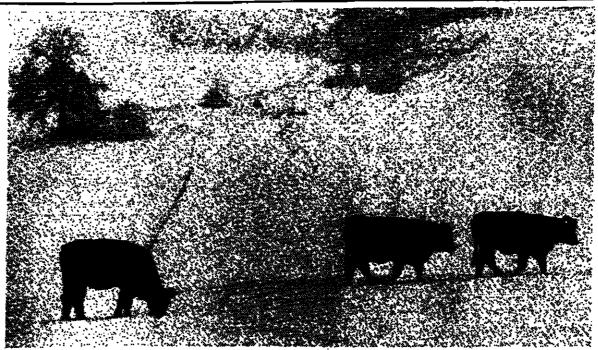
JEAN-MARIE RIVIERE

OUVERT LE DIMANCHE



Dinner

Vanished



Kept in Guyana by Local Officials

Tensions Persist for Jonestown Survivors

U.S. Aged Said to Be Defrauded

Of \$1 Billion a Year in Insurance

WASHINGTON, Nov. 28 (NYT) — A congressional investigation of insurance fraud has concluded that the old are paying \$1 billion a

In many cases, according to the House Select Committee on Aging,

many of the 15 million eligible for Medicare who have been sold sup-

plementary insurance have policies with fine print denying payment

from more than one policy.

Rep. Claude Pepper, D-Fla., 78, who heads the committee, charged

that abuses in the sale of health insurance to the elderly had become a

"We have found that many unscrupulous insurance agents have been preying on the fears of the elderly and selling them three, four,

five and sometimes as many as 30 different health insurance policies.

although they generally contain a clause saying that only one policy

will pay," Rep. Pepper said.

Of the 23 million Americans eligible for Medicare, 15 million have

supplemental health insurance policies whose average premium cost is

Rep. Pepper said: "The committee staff offers the rough estimate

that senior citizens are being taken for \$1 billion a year by these insurance companies and their agents."

ROME, Nov. 28 (AP) — Noeline recent years into the black labor market of about 2 1½ million work-

ers. These workers take jobs with-

out contracts and without register-

ing with tax or social security

Officials say the influx of foreign

workers poses serious consequences to Italy's sluggish economy. By

conservative estimates, more than

1.5 million of Italy's labor force of

The government has set a target of creating 600,000 jobs in the next three years to reduce unemploy-

ment, but economists fear that the

program will not be effective unless

the flow of foreign laborers is

There appears to be no popular resentment against the foreign

Prostitutes

<u>Challenge</u>

<u>U.K. Clients</u>

LONDON, Nov. 28 (Reuters)

- British prostitutes at a con-

prominent clients to identify themselves publicly and stop condemning to the world what they practice in private. The English Collective of

Prostitutes threatened last week to start naming clients, who, they said, included prominent politicians, priests and police

The conference was called to

collective's organizer, Hel-

back the collective's demands

for prostitution to be legalized.

en Buckingham, told the confer-

ence, "Abolish prostitution laws

and prostitutes themselves will

disappear, giving way to sex

About 200 people, including

prostitutes, priests and women

rights activists, attended the

conference. Letters of support

were read from prostitutes' groups in San Francisco, New York and Paris.

ference last night called

19 million is out of work.

\$200 a year, with the total yearly premiums at about \$4 billion.

year in premiums for health insurance policies they do not need.

By Fred Barbash

cer unexpectedly when Adm. Armin Zimmerman died of cancer late in 1976. The general is an in-GEORGETOWN, Guyana, Nov. 28 (WP) - The tension and fear among the few survivors of James Jones's People's Temple have been played out daily in small, unhappy sequels to the events that claimed at least 918 lives.

There are 78 members of the People's Temple left in Guyana, all of them still here at the request of local police. Nineteen who escaped from Jonestown and three former lieutenants of Mr. Jones who say they were allowed to leave during the mass suicide have been housed in the Park Hotel, despite their protests about being together.

Another 46, some believed to have been trusted officials and security personnel in the cult, are still under guard at the Georgetown headquarters of the People's Temple about two miles from the hotel.

Most at the hotel are alive only by good luck. Robert Paul escaped YORK, England, Nov. 28 (UPI)

— It was the drills, Mrs. Edith
Holmes told a court yesterday. And before the killing began. Odell Rhodes slipped out unnoticed amidst the dying. The Parks family — Gerald, 45, Dale, 27, Brendan, 17, Chris, 20, Tracy, 12, and Edith, 64 — left with the party of Rep. Leo Ryan, D-Calif., and managed to the saws, and the hammers, and the polishers, and "every other piece of equipment you would expect a do-it-yourself fanatic to use." The "fanatic," she said, lived avoid the shots that killed the connext door. That is why she was in court. She threw a brick through gressman and four others. Dale Parks lived only because the gun placed against his chest misfired. An attorney for Mrs. Holmes, 63, said David Thornley — he called him "The Menace of Meadowfield One member of the family, Gerald's wife, Patricia, was killed.

Some 'Loyalists'

Others, the ones called "loyalists," were simply chosen to live. Tim Carter, 30, Mike Carter, 20, and Mike Prokes, 28, say they were sent from the camp by a Jones con-Thornley had every right to do sidante with a suitcase full of mon-Late one night, "driven to the mit," Mrs. Holmes went out in The 46 control of mon-

her nightdress to demand that Mr. dence, Lamaha Garden, were 120 Thornley stop the noise. She miles away from Jonestown when tripped over a pile of bricks. In the mass suicide happened. Some fury she picked one up and heaved of them were there for medical it through Mr. Thornley's newly in-

Mrs. Holmes pleaded guilty to Church Activist malicious damage. The judge set her free, but cut Mr. Thornley's claim for damages down to £35 (about \$70) because "he is a do-it-Reportedly Held yourself expert and would do most By Soviet Police of the work himself."

MOSCOW, Nov. 28 (AP) - Soviet KGB security police have arrested a religious activist, Alexander Ogorodnikov, on charges of paratism, dissident sources said yes-

They said Mr. Ogorodnikov, 27, was seized last Tuesday and was being held at Kalinin, north of

Mr. Ogorodnikov, who founded an underground group of young Russian Orthodox believers, was attacked in a Soviet newspaper arti-cle last year for his activities.

five hours later on the incoming tide. The charge of parasitism, which carries a maximum penalty of two years' imprisonment, can be brought against an able-bodied adult who does not support himself with a job recognized by the state.

> MOSCOW, Nov. 28 (Reuters) -Armenian dissident Robert Nazar-yan pleaded not guilty today when he went on trial at Yerevan on charges of anti-Soviet agitation and propaganda, his friends said. Mr. Nazaryan, a physicist and deacon of the Armenian church, told the

court he had worked only to defend

human rights in accordance with the 1975 Helsinki accords, they

Armenian Pleads Not Guilty

Strike Halts Flights Of Japan Air Lines

TOKYO, Nov. 28 (AP) - About 280 pursers and stewardesses of Ja-pan Air Lines went on strike today, ment moves to split the union. A JAL spokesman said the walk-out forced cancellation of 39 of 110 domestic flights and 7 of 28 inter-national flights.

treatment they could not receive at the camp site. Others had just arrived in Guyana and were waiting for transportation to Jonestown.

Among the residents of the bouse

are a number of cultists whose image brings terror to many at the hotel. There are 10 or 12 members of Jonestown's basketball team. who have been accused by some of the survivors as being part of the armed security force at Jonestown. There are at least three persons

who, survivors say, participated in public beatings at Jonestown. There is a person who handled many local administrative matters for the temple and a person who handled public relations for the

'full-scale national scandal."

Hamilton, a 21-year-old Sri Lan-

kan, came here seven months ago

to visit her elder sister. Mary, who

works as a maid earning the equiva-

lent of about \$230 a month. Noe-

line soon found a babysitting job

paying \$50 a week. The two sisters have joined a growing colony of illegal aliens in Italy.

Taking advantage of lax immi-

gration controls and liberal work-

ing conditions, foreign workers from Africa. Asia, the Middle East,

South America and Europe are

coming to Italy, displacing Italians

in such jobs as housemaids, dishwashers, fishermen, cleaners,

Since the early 19th century, mil-

lions of Italians, mostly impover-

ished southerners, have left their

country for northern Europe, North and South America and Aus-

tralia in search of work lacking in

Today, more Italians are return-

ing to their country than are leav-

ing, and thousands of foreign work-

ers are coming to Italy — a phenomenon that the Rome daily II

Messaggero said has made the country an America of the poor.

Government officials estimate that more than 400,000 illegal for-

eign migrants have disappeared in

Swiss Set Trial Date

For Chaplin Thieves

LAUSANNE. Switzerland, Nov. 28, (Reuters) — Two East European political exiles accused of

snatching the body of Charlie Chaplin in March and asking his

family for a ransom will appear in

court Dec. 11, the public prosecu-

tor's office announced today.

The two were identified today

for the first time as Romance War-

das. 24, a Pole, and Gastcho Ganev, 38, a Bulgarian Both had been granted political asylum in

Switzerland. They will be charged

with desecrating a tomb and at-tempting to obtain a ransom for the

farm helpers and prostitutes.

their native land.

temple, both feared primarily be-cause they were so trusted by Mr.

Until last Saturday, another resident of the Georgetown house was a stocky former Marine named Charles Beikman, 43. He was arrested, jailed and charged with the murder of Sharon Amos Harris and her three children who were found in the house with their throats cut the night of the Jones-

town suicides. Finally, there is Steven Jones, 19, the son of James Jones, and undoubtedly the man most feared by many of the survivors at the hotel. The house and its occupants

WASHINGTON, Nov. 28

cation can be made.

"Dad I see no way out — I agree with your decision — I fear only that without you the world may not

For my part - I am more than many masses of beautiful people — thank you for the ONLY life I've

Mr. Jones was called "Dad" by

ROME, Nov. 28 (UPI) — Strikes caused a loss of 43.8 million hours of work in the first nine months of this year, government statisticians said today. This compared with 71.1 million hours lost in the same period of last year.

workers. In fact, many Italians

"They work hard. They don't talk union. They are great," said Roberto Amitrano, a Rome archi-

tect. "Besides, I feel good knowing

that I am helping somebody, per-haps the way Americans and others helped Italians a long time ago. I

don't care if they are here legally or

illegally."

There are newspaper advertisements seeking specifically a Filipino maid or an African houseclean-

er. Even the Italian labor unions

the government should take mea-

sures to legalize the foreigners' status instead of condemning them to

clandestineness and exploitation.

Some newspapers suggest that

A recent survey by the Center for

Social Studies and Investment cites

two main reasons for the influx of

• Wealthier European nations

like West Germany, Switzerland and France have cut the number of

seasonal or semi-permanent foreign

workers and now enforce strict im-

migration controls. By contrast, Italy's immigration officers give

only a cursory check of visiting for-eigners and, in most instances, do

Iceland Official

Quits in Protest

REYKJAVIK, Nov. 28 (Reuters)

Bragi Sigurjonsson, president of the upper house of the Althing (parliament), yesterday resigned in protest over the government's deci-

sion to introduce a 6-percent ceil-

Mr. Sigurjonsson, a Social Democrat, said: "The government has now shown it lacks the courage to

come to grips with inflation." His party favors a 3-percent ceiling and lears that 6 percent is too high to

have a restraining effect on infla-

tion, now running at 43 percent,

which could return to 50 percent

next year, according to economic

ing on wage increases.

are keeping silent.

foreigners:

seem to prefer foreigners.

guard since last Saturday. Local authorities did allow several of the People's Temple leaders living there to hold a press conference a few days afterwards. The press con-ference only intensified the bad feelings among the survivors.

Suicide Note

Mr. Jones, its tone appeared to be The handwritten note said:

make it to Communism.

Strike Time in Italy

(NYT) — The FBI released yester-day the contents of what appeared to be a suicide note by a woman follower of Mr. Jones that was found on the cult leader's body by federal officials.

out that the note was written by that of someone writing to him. The note was signed by a woman, a FBI spokesman said, but the bu-reau was withholding the name until a positive handwriting identifi-

tired of this wretched, merciless planet & the hell it holds for so In Sri Lanka Cyclone

many people in the cult.

Total Estimated at 400,000

jacket over his arm on a not very hot day, while the bodyguards, jackets on, bustled at his side. Not Mercurial Although the FBI would not rule

Mr. Ohira is not brilliant and mercurial like Mr. Fukuda, whom he succeeds. Another classmate from primary school said: "I merely remember faintly that he was a square-jawed fellow and that he was very strong at judo. He was never at the head of the class in

studies but always No. 2 or But when relaxed, Mr. Ohira is totally different from the immobile.

Death Toll Is 1,000

COLOMBO, Sri Lanka, Nov. 28 (Reuters) — A cyclone that devas-tated a wide area of Sri Lanka last week killed about 1,000 people on the eastern coast alone, a minister said yesterday.

Justice Minister K.W. Devanay-

agam said that "there is not a roof over any of the few remaining buildings" in the province. About I million people were affected by the cyclone which destroyed more than 500,000 buildings Thursday with winds of up to 100 miles an hour.

Increasingly, Italians are

shunning humble work — mostly manual labor — and foreign work-ers are finding a ready market and

sympathetic employers in Italy.

The survey attributed the trend to

Rome's Il Tempo said that the

foreigners do not take work from

any one, but merely do jobs no-

growing affluence.

body else wants.

government has included for minister (1962-64), minister o ternational trade and indu (1968-70), foreign minister a (1972-74) and finance min (1974-76). He also served twi secretary-general of the Lih Democratic Party. He waited a the time was ripe, it overwhelmed his longtime at

Four years ago the doctors thospital where Mr. Ohira ha

Poland to Try 5 As Trade Spies

Some foreign workers apparently are using Italy as a stepping stone to the United States or other WARSAW, Nov. 28 (UPI) -1

wealthier nations. "We wanted to go to America or England, but couldn't get visas." said Maria Reyes, a Filipino maid. "There's much less red tape in coming to Italy and staying here."

Bolivia General Puts a Civilian In Cabinet Post

LA PAZ, Bolivia, Nov. 28 (Renters) — Bolivia's military president, Gen. David Padilla, who took power in a bloodless coup last Friday, has completed his Cabinet that includes a property of the complete of t that includes a civilian to head the Finance Ministry. Former Central Bank president Wenceslao Alba will be in charge

of economic policy, and Col. Nor-berto Salomon was sworn in as Minister of Urban Development Gen. Victor Castillo Suarez, former military attache at the Bolivian Embassy in Washington, was appointed commander in chief of the armed forces. Air force Gen. Gaston Lupe, information minister in the leftist government of Jose Torres that was overthrown in a bloody coup in 1971, was appointed air force commander.

Friday's coup was welcomed by Bolivia's leftist opposition.

Illegal Immigrants in Italy a Growing Phenomenon not even stamp their passports. In a rare case, 20 young Filipinos were deported by the Italian government sary, Mr. Fukuda. recently on charges of having engaged in prostitution.

Japan's Next Leade A Master Police

acrobatics.

His father died when he was

and after that his family was a Only by concealing his studies in

the family was he able to pre-for and pass entrance can 1933 for the elite Tokyo University

of Commerce - now known as totsubashi University.

Much of Mr. Ohira's chara
and career is attributable to

fact that he was a second son

the Japanese tradition his a brother, Kazumitsu had direct

sponsibility for the family after father's death. The older be

high-tempered youth, took car family affairs, while Massay

outshone in every way, put his

ergy elsewhere.

As a poor student in Toky the mid-1930s, the era in which

militarists gained power, Mr. 0 turned to Christianity. He is the Salvation Army and espot the teaching of Kanzo Uchima

radical nonsectarian Christian

the nineteenth century, views resembled those of Qua

His dislike of fascist excess

from this period, as does his

Government Career

Mr. Ohira diligently pursu

career in government, startin

the Finance Ministry in 1936

serving there until the late l

He then joined the staff of Ha

Ikeda, the premier from 196 1964, helping to prepare. Ikeda's successful income-

bling plan" and becoming

Cabinet secretary - a key pos

It is many years since he are

ed church, but the marks of

1930s are visible. Mr. Ohira is

voted family man, the father

four children, a nonsmoker at

teetotaller. In a political party, dominated by backstairs' open

given to drinking bouts, Mr. C

stands out as an honest man:

yet has a peasant's cunning.
In the election in which he feated Mr. Fukuda by a star margin, Mr. Ohira showed cunning. He won through an toral aliance with former Pre

Kakuei Tanaka, master of the

first-class vote-gathering mac

in the party. The alliance was

closed to only a few persons

shortly before the election,

which time it was too late for

Fukuda's overconfident staff

Mr. Ohira's long experienc

take counteraction.

an ambitious young politician

est in literature

1960.

By Henry Scott-Stokes

TOKYO, Nov. 28 (NYT) — tacitum person he appears to Masayoshi Ohira, who takes over the is deeper than Mr. Pala from Takeo Fukuda as premier and more solid, less given to said turns of policy and given turns of pol

as leader of Japan early next turns of policy and quite in month, is to many on first impres-

sion a solemn, brooding person.

Heavily built, unsmiling and heavy-lipped, Ohira seems almost a

caricature of an Oriental master

politician, a man suited to the backwoods and backstairs, who

would sit up stolidly all-night to get his way with heavy-drinking col-

Born on March 12, 1910, Mr.

Ohira is the son of a farmer from

Kagawa Prefecture, or province, which is situated on the Inland Sea

side of Shikoku Island, in

southwestern Japan. And he has been a solid kind of man since his

youth, in person and in personality.

A high-school classmate of Mr.

Ohira recalled: "The sight comes to my mind of a fellow who frequently

carried a rolled-up judo uniform over his shoulder and walked with

dragging feet, wearing heavy shoes. Even today I don't think he cares

much about what he wears."

This is a recognizable portrait of Mr. Ohira — his name is pronounced Mah-sah-yo-shi O-hee

rah, with the syllables accented evenly — 50 years later. Last sum-

mer he was seen walking on the rail

station platform at the mountain

resort of Karuizawa, accompanied

by a squad of guards and secretar-ies. He was the one who rolled his

checkup asked him, according custom, to inscribe a sentiment his own calligraphy. He was "With the beart of Buddha and hands of the devil."

For West Firm

government newspaper Zy Warszawy said today that at is five Poles will have to face trial charges of economic espionage Western companies.

The newspaper did not reveal t date of the trial nor did it ident the alleged spies beyond their it tials. It said that Michal P., a din tor of a foreign trade enterpri will be one of the main defended for buying four useless cranes i \$300,000 and a cement process for \$150,000.

Zycie Warszawy also listed lei W. and Jolant W. among those be tried for "passing on details," trade offers of Western compani to another capitalistic firm."

Janusz T. was mentioned being accused of having "informs trade agents on how they show deal with Polish officials to obtain

an agreement." Janusz B., a lawyer, was name as a "dealer" who made profits b establishing contacts between it friends, the four mentioned allegspies, and Western trade represen

2 Sentenced in Pakistan

RAWALPINDL, Pakistan, Nov 28 (UPI) - A special military cour sentenced two men to prison term and floggings yesterday for kidner ping a young married woman and forcing her into prostitution.



agent, any Hilton hotel or Hilton Reservation Service office in Frankfurt, Geneva, Hamburg, Lisbon, London, Madrid, Paris and Stockholm.



ROYAL TEHRAN HILTON

On a hill overlooking the city in one direction and the mountains in the other, the Royal Tehran Hilton is situated in a tashionable residential area. Facilities range 📐 from a heated pool to a choice of fine restaurants and an intimate night club.



ISTANBUL HILTON Standing in its own beautiful gardens, the Hilton looks out across the Bosphorus toward Asia. Yet it is convenient for airport, shopping and busines areas. Superb facilities metado L tennis, casino, excellent cuising and late-night

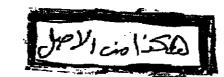


PARIS HILTON Near the Eiffel Tower, the Hilton offers spactous guest rooms, TV, two colour films daily. The three restaurants provide haute cuising and fine wines, Spacious

HILTON

Ideally situated a short distance from the internati airport and minutes from th central station. Withits indoor heated pool paviling Sauna and massage, colour TV in each room and hae restaurants, this is a truly luxurious hotel

DÜSSELDORF



films in Paris-

Greek Tycoon' Misses the Boat

By Thomas Quinn Curtiss

of the Paparis. Nov. 28 (IHT) — The camp is sound enough, but it rede the line and the Cluny Pal-

divide the English). If he (down massis) has been poured over this reals. Atheries shinning calling his account of an Athenian shipping In the pagnate's marriage to the widow of chite Tolkie lick production, overflowing with has the echnicolored views of Aegean achting excursions, is as preten-Mir ()hirti our as artificial jewelry and no Whis is the present of the news reports which is the present whispered rumors of that wide-tradding is publicized union have received unions, had energed filtering and the message for the lamb, that of a Victorian parlor motto: in the ski Money Isn't Everything, which will be will desperately believe that filthy that we is the key to happiness.

acre is the key to happiness.

1. Lee Thompson is an in-andh the crampade a haunting photoplay in the crampade a haunting photoplay in the drampade and comment of Navarone on its arm and necessful course. Winston Churchof Kananial liked the latter so much that he Extrant (20 it seven times and entrusted its contact reducer, Carl Foreman, to underthe there are his film biography, "Young Winston."

Thompson has engineered the resent script mechanically, as hough it were a cross between one mment Charl those hoary scene-shakers in diligenth, which mighty bankers always went Ministry here wives were giving fancy-dress that he halfs and a gangster melee. In other ed the dall words, he has done nothing to renrenner from ler more palatable or more palpa-ie to proble a ridiculous scenario in atro-

Anthony Quinn supplies his cus-office. It is the light and pantheistic portrayal, here the policy of the many pantheistic portrayal, here coming policy an earthy commoner, a lascivious attained levantine, who having attained riches wants to live, li provides a thinly-disguised ited: 111 the disguise is that he looks like Lord

nkada b Beaverbrook. Clinia shee Saddled with such a preposwon threaterous screenplay, Thompson could with tome resort only to satire of some sort. instead of staging the absurd busithe think aess as though it were a solemn Al-The abuse fred Sutro drawing-room drama disconcertingly upset in its dethe decorum by murders and non-U fistiwas to be would have been well treatment advised to have us laughing with nim rather than at him.

Caricature has been the piquant inde and sauce of almost every good movie, The medium's leading spirits have and always appreciated its value and to of the have applied it generously. D.W. "Intolerance"; Eisenin the stein's depiction of Kerensky's impotence in "October" has the comic the demalice of Max Beerbohm's brush. At: 1th Charlie Chaplin, Mack Sennett, and a seall caricaturists (it is significant and that Fellini was a magazine caris the latest terms to films), and exponents of more recent vintage have included Alec Guiness, Woo-

dy Allen and Mike Nichols, among A cargo of spiteful humor might have lifted "The Medusa Touch" (10 Spread of the Quintette in English) from its oppressive doldrums. Here we have Richard Burton as a neurotic rophes — including this film. An adult version of the film adu adult version of satan's son from The Omen, he is less amusing in his mischief-making.

> An inviting premise has been shipwrecked in "Les Bronzes" of Patrice Leconte (at the Rex. the Biarritz and the Normandie). The notion that there is some fun to be had in a slapstick farce about the happenings at a tropical holiday

Radio City Hall . Back in Black

NEW YORK, Nov. 28 (AP) Radio City Music Hall is operating at a small profit under the rescue plan that kept it from closing last

Richard Kahn, president of the Urban Development Corporation said that because the state had demonstrated how the famous Art Deco theater could make money. operating control has been re-turned to Rockefeller Center Inc.,

The UDC was the instrument through which the state moved to keep the Music Hall, with its Rockettes dancers, open after Rockefel-ler Center announced it was closing down the theater as a losing propo-

> GENEVA 64 FOIRE . BROCANTE + "ANTIQUITE Palais des Expositions 'Quai Ernest-Ansermet

Wed Thurs Fri. 2 p.m.-10 p.m. Set, 10 a.m.-10 p.m. Sun, 10 a.m.-7 p.m.

quires inventive treatment, Joe Orton, the late English playwright, taking as his model no less than Euripides' "Bacchae," wrote a hilarious comedy about a British vacation resort whose proprietor suffered martyrdom when his paying guests became dissatisfied and

The general subject remains serviceable, but its development calls for an author-director of genuinely humorous mind — a Jacques Tati or a Buster Keaton. Leconte has supplied a fat, bald man and a thin, bald man and a few youngsters, but this is simply insufficient. Neither of the hairless clowns are able to evoke much laughter on appearance alone, and the material they have been handed is pathetic. The French cinema's search for new funnymen has yet to yield substan-



Anthony Quinn and Jacqueline Bisset in "The Greek Tycoon."

Although Levi-Stranss is making

Science

The Kinship of Claude Levi-Strauss at 70

By David Bodanis

PARIS, Nov. 28 (IHT) — Claude Levi-Strauss comes to meet a visitor in a cold stone hallway at the College de France. With a mischevous smile he briskly leads the way back - past metal filing cabinets and institutionally-painted walls - to a pair of leather doors

which, graciously held open, reveal his precisely arranged private office. It is dim in and greens, with walls and desks and cabinets all of glowing, burn-Within it are the Levi-Strauss

wood.

memories of a world of vanished or dwindling societies, within it is Claude Levi-Strauss: 70 years old today.

"I went to Brazil as a young college professor very much in doubt if anthropology was the right choice of career. The world then seemed a more quiet and interesting place in which to live, and trayel was a kind of window open on the unknown."

Another opening on the world as the work of the Symbolists. "Symbolist poetry and painting, which influenced me strongly, is similar in structure. For it encapsulates several meanings into the picture on different levels, and also it is an attempt to evade the actual world in which the painter lives - social harmony, using women as to open a window or door on a completely different type of world. Realist painting, too, preserves the memory of a world which is entirely different from our own. For although this world existed in the past, now for us it is an imaginary world that we can only reach by imagination.

Levi-Strauss' particular brand of structuralism has been widely discussed and occasionally understood. He has been reviled as expounding a cold and meaningless formalism; he has been honored as achieving the final answer to the dilemmas of the human studies.

"I am not at all interested in applications. What I am trying to do is to discover some aspects of social life, of social activity, where it is possible to use a slightly more rigorous approach than was used previously. It's not at all a kind of philosophy, there is no message for mankind. It is a kind of craftsmanship. In the social sciences, we can only try to understand better what was understood less well, knowing always that this will give way to a better understanding, and that to a better understanding, and so on. By contrast, a mathematical proposi-

tion - if it is true, it's true. Although one of France's most respected cultural figures, Levi-Strauss likes nothing better than to visit his country home, "which is entirely in the woods and where I

Despite the decline of primitive societies. Levi-Strauss feels that ana single soul." That relation of nathopology will continue — by using the archives accumulated in the ture to culture is a theme basic to the work of Levi-Strauss: "If the entire painted work of past 150 years, as classical scholars study the remnants of Greek and

Raphael were to be destroyed we would feel it as a total disaster. But when a species of moss, or a plant, disappears we don't pay any atten-

'This immoderate humanism this idea that man is so much apart from creation that he can cons himself the lord and master of all living things and dispose of them at his whim, is a peculiarity of mod-ern Western civilization.

"By contrast, many American In-dian tribes believed that medicinal plants could not be extracted from the soil without extensive ritual precautions. Many tribes also believed that the entire world shared in a common pool of life, and that if man as a predator took life from pool, then he should compensate by the loss of life himself. These are extremely efficient ways to limit the kind of destruction which man is obliged, of course, to perform."

The usefulness of some unconventional habits is a common. theme in anthropology, and an important part of Levi-Strauss' first thorough development of his structural technique in "The Elementary Structures of Kinship." The nature of incest taboos, a custom in nearly all societies, was explained in that early work as a means of promoting currency. The exchange of women between different families (marriage) guarantees that the buyers and sellers (in-laws) must at least go through the motions of being friendly with each other. Without the incest taboo, harmony between families would not be maintained, Levi-Strauss asserted.

This is not the only unconventional view that he takes of the relations of the sexes:

"The differences offered by nature should not be ignored, but should be exploited to the fullest extent: the differences between man and woman should not be

"What we are discovering in our present society is that there are not two sexes but four: men-men, women-women, women-men and menwomen. We should not try to give a unique social solution to the problems of these four sexes. What we should try is to make room for each one to develop its own originality. Women-women should not be

forced to act like men-men."

The intolerance of diversity is a "fundamental problem," and is seen in the destruction of primitive societies, most notably in the Brazilian -government's destruction of the culture of the Amazonian Indi-



If you know your world... you'll have discovered the secret of

Eating Out

Nouvelle Cuisine Oriental Style

By Naomi Barry

DARIS - If the so-called "Nouvelle Cuisine" has penetrated the Orient, the place to sam-ple it is in Paris at the Tan Dinh.

Among its most faithful devotees are a crowd of New Wave young French chefs who frequent the res-taurant on Rue de Verneuil. Not only do they admire the cooking of their Saigon-born colleague, but they find it a source of inspiration for their own "lightened" efforts. Subtlety and delicacy have always characterized the cuisine of Southeast Asia, and adventurous contemporary chefs here willingly admit to its influence on them.

Not Locked

Slim, blue-jeanned Robert Vifian (his Vietnamese family picked up the French surname a few generations ago) sees no more logic to his being locked into tradition than do such Occidental friends as Jean Jacques Jouteux of Les Semailles, Alain Dutournier of Au Trou Gas-con or Michel Oliver of Le Bistrot de Paris. Vifian's style is rooted in his heritage, but the variations are strictly personal.

A meal the other night was composed by his father, who works for Citroen by day but oversees the dinner service for his son in the evening. It opened with a nibble of deep-fried shrimp rolls, crusty and clean of fat meant to be dipped into small bowls of clear, gingerflavored sauce. Portions were a procession of small taste titillations. The terrine of crab - minced crab and mushrooms bound with egg -

mullet, steamed whole with a few vegetables and slivers of fresh ginger root, were ample for four. A poached chicken was made exotic with a type of rich, black, Chinese mushroom that is a connoisseurs' delight. The splendid Haut-Medoc was a Leoville-Las-Cases.

Vifian, 30, began his love affair with fine French wines when he was 11. His grandfather owned a fancy grocery of local and imported delicacies — Saigon's equivalent of Fauchon. On holidays the boy was given a sip of a good vintage to develop his palate. Tan Dinh's wine list is thoughtful and well selected.

Grandpa had four daughters. It was assumed they would marry well and direct important households; as part of their education, the best chef in town was brought to the house to teach them to cook.

The training helped Vifian's mother when the family came to Paris to begin a new life. Restauration seemed the surest way to keep going, and they opened a small bistro on the Rue de Navarre. Mrs. Visian did all the cooking. Older son Freddy studied to become a pharmacist. Robert went to the Sorbonne, where he majored in literature and minored in the history of cinema. Because of his natural interest in food and wine, he was of particular help to his mother.

A few months ago the family moved the restaurant to its current larger quarters, and now the roles are reversed: Vilian heads the kitchen and his mother is the help-

was light as a quenelle.

Rouget barbet, the most prized variety of Mediterranean, is the chef's current favorite. Two of the control of the chef's current favorite. Two of — is a luxury-class restaurant. A moderate-size specimens of the meal averages 100 francs, which Vi-

fian says (in fluent English) is a shock to the people who equate Vietnamese with cheap, cheaper, cheapest. At Tan Dinh, however, the emphasis is on quality, refined preparation and a service that suggests the hospitality of the Far

"I am planning to buy a pharma-cy for Freddy." said the elder Vifian, a spry, tennis-playing gentle-man. "I certainly had to do as much for Robert.

Tan Dinh. 60 rue de Verneuil, Paris 75007. Tel: 544 0484, Open for hunch and dinner. Closed on Sun

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"I was told that the First Class Service of Lufthansa is the finest there is. I tried it. It is."

a dent in these archives by "reading angry, and I don't see why I should anthropology from morning to get angry and ruin my health!"

night," there is one sort of anthro-

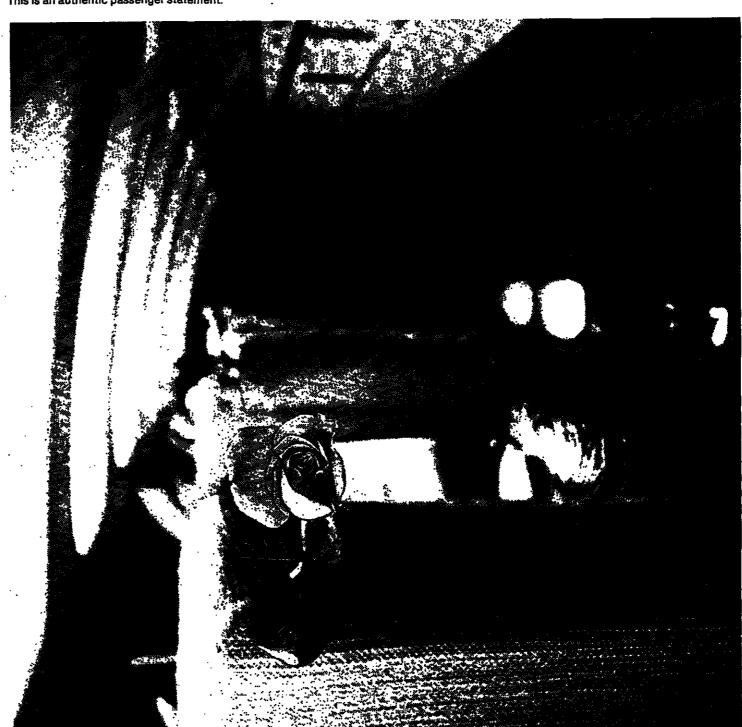
pology he will leave for others to

explore:
"I avoid reading what concerns
me and my work, because in most

cases if it is commendatory it is be-

cause of a misunderstanding, while

if it is harsh in style it makek me





Published with The New York Times and The Washington Post Wednesday, November 29, 1978

Graffiti, Chinese Style

in Peking. Like a hundred baleful flowers. the graffiti carry a message signifying that Mao Tse-tung is to be pushed, temporarily anyway, out of the Communist Valhalla. He has been accused of responsibilities in connection with the "Gang of Four" led by his wife, Chiang Ching, whose "radical" antics horrified the Chinese faithful and bemused the rest of the world shortly after Mao's death two years ago. Now the star of Vice Chairman Teng Hsiao-ping, an old antagonist of Mao, is rising in competition with the power of Party Chairman and Premier Hua

All this can only be profitably followed by the China-watchers, or analysts, as they are called when they get it right. The public will draw its own conclusions from the recent flurry of visits Chinese potentates have made abroad, including the major diplomatic initiative of a treaty of cooperation with Japan. Chinese officials have been bustling through Western and Eastern Europe, shopping for arms in the one and for ideological sympathy in the other. U.S. businessmen, for their part, have been swarming to the great Canton Trade Fair, and corporations like General Motors have been pressing with offers to help modernize Chinese industry. China at last seems serious about opening its gates to the outside world.

Those gates were originally forced open; historically it has always been difficult to do business with the Chinese. The account of Lord McCartney's embassy to the Emperor Ch'ien Lung at the end of the 18th Century. with its scarlet-coated bagpipers and its suite of contemporary sociologists and reporters, has some strangely modern features, including its initial failures. One supreme stumbling block, for a while, was the refusal of the British ambassador to perform the kowtow

Once again it is the season of wall posters to the emperor unless a Mandarin of equivalent rank made the same series of obeisances to a portrait of the prince regent which was dug out of the embassy's baggage train. The kowtow takes a different form in these times. but it is still there.

In the heyday of China trade in the first part of the 19th century, business was still difficult, owing largely to the baffling - to Westerners - conviction the Chinese had about their own superiority. Later, trade led to colonial exploitation and a shameful episode in history ending with the Boxer Rebellion which everyone today would like, sensibly, to forget.

The only point of doing business with China in the past was money. But now there are other factors which affect both the Chinese and the West more compellingly. China has the positive goal of modernization so that its great reservoir of human power can compete, and especially compete with the Soviet Union. Both the Chinese and the Russians talk about defense in relation to each other. But what they really mean is the struggle, no doubt peaceful, for the domination of the vast Eurasian land-mass they share.

The West understands this point thoroughly, and in some sense the United States has become the political as well as the economic arbiter between the two. Meanwhile, in the forefront flickers the market of 800-million consumers who hardly yet know what con-

Is it necessary to purge the ghost of Mao in order to clear the way for a real opening of China? Very possibly. Whatever he may have said on the subject in his books, Mao stands today as the representative of traditionalist. inward-looking, even xenophobic China, the China that was the empire of the middle of the world. The current rulers in Peking may well have convinced themselves that the time of revolution is past and the time of exploration has begun.

Sadness and Revulsion

No day passes without some new horrendous or baffling report from the country whose name has now become a synonym for sadness and revulsion. We are told that the slaughter can be traced to a custody fight over six-year-old John Victor Stoen, whose parents sought to reclaim him from the Jones cult - Mr. Jones evidently having regarded the potential loss of the child as a portent of the cult's disintegration. We also learn that the mass suicides were conceived of as collective "punishment" for the wrongdoings of defectors. We learn that there are survivors, some of whom may be murderers. We hear more stories of mad rituals. We read the comments of the stunned relatives of the lead. We learn that Mr. Jones had a mysterious letter on him. And throughout, we watch the body-count rise from 200 to 400 to twice that and, most recently, to over 900.

We also learn something about ourselves. From the Charleston (South Carolina) News-Courier comes the point of view expressed by too many - that we had no business spending S8 million in tax dollars to fly the dead cultists home for burial. "Millions of Americans will be left wondering why special treatment was accorded to so many religious zealots," said the News-Courier. The fact is that only proper and humane treatment was accorded to dead U.S. citizens, whose families and country are here. Bringing back the

bodies was simply the first thing to be done. What else is to be done? First, we must

help the survivors and prosecute the killers. Then we must determine if there are fallenaway members of the People's Temple who are in danger and need to be protected. There must also be a thorough investigation of what exactly happened in Jonestown. something that sets out the confusion of details in as reasonable an order as possible. We must see if a State Department policy may be formulated at least to cover a similar contingency in the future. We must also recognize that a general policy may be impossible, that Jonestown was an aberration, and presented a situation in which, without benefit of hindsight, no rescue could ever have been carried out.

In other words, there are processes to understand and set forth, and rules to follow a society to keep intact.

We are going through a necessary and troubling period at the moment, a simultaneous fumbling for news and solace. Like the FBI, we are trying to identify the bodies, and to identify them in terms that make sense. What we have left, for better or worse, is civilization, the same civilization out of which Mr. Jones led his flock. Now we survive, to learn and clean up.

THE WASHINGTON POST.

Democracy in Bolivia?

After seven military coups since 1964, Bolivians can at least count on variety from their insurgent generals. Some have taken power in the name of the left, others of the right, and still others in the name of nationalism. Last week's coup, however, may hold out the hope of something more lasting. Its authors have announced they are taking charge "temporarily with the purpose of creating the Bolivia that was dreamt of by generations of Bolivians." That is as uninformative as it is unobjectionable; still, the new coup appears to have been bloodless and it promises to hasten, rather than delay, democratic elec-

Bolivia is difficult terrain for democracy. Its peasants and tin miners remain desperately poor. Both groups have been frustrated by the failed promises of one popular revolutionary movement after another. The upper classes fear majority rule. And military men have grown used to taking things into their own hands. Under pressure from Washington, a presidential election was held last July, but it was annulled amid charges of fraud and then superseded by the next-to-last coup. That government was headed by Juan

conflict that cost Bolivia its access to the sea. It was an explanation every bit as digressive The leaders of the new coup promise "to return the people to their rights and liberties. including electing their leaders by universal democratic vote." They pledge that elections will be held next July, a reasonable date in view of the need to update the electoral regis-

Pereda Astun, an air force general who had

been the "official" candidate in the canceled

election. He explained that no new election

could be held before 1980 because 1979 was

the centennial of the War of the Pacific, the

ter and conduct a campaign. Last July's coup created a difficult situation for the Carter administration. Having urged elections, it could hardly approve their long postponement. Yet it feared that pressing Gen. Pereda too hard would provoke nationalist resentment and perhaps even further delay. If the new military leaders keep their pledge of free elections in the near future, their coup will have been one of the better things to have happened in Bolivia

during the past 14 years.
THE NEW YORK TIMES.

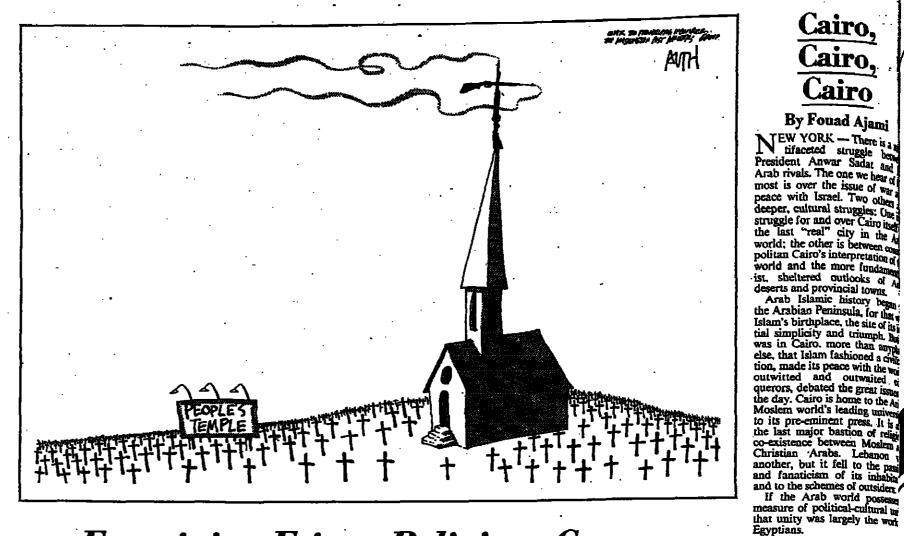
In the International Edition

Seventy-Five Years Ago November 29, 1903

NEW YORK - The Indianapolis News commented; "Only five years ago the island of Cuba was in the throes of revolution. Industry was prostrated, the people were oppressed, and demoralization was general. During all this time the Cubans behaved excellently and showed a self-restraint that was really surprising. And now they have their own government and are enjoying peace and good order with a well-filled treasury. The record is creditable in every way. Truly the benefits of U.S. paternalism instead of Spanish domination cannot be overestimated."

Fifty Years Ago November 29, 1928

PARIS — The general counsel of the Industrial Finance Corporation of America commented at a dinner last night: "Science and the development of machinery will tend to make the nations of the future more and more alike, but this change should not be termed Americanization. It's merely that America, without Old World institutions and traditions, responded freely to the increased tempo of the day and gained a lead which France, and Germany, are now seriously threatening. We don't know if it's progress, it may indeed prove to be a retrogression."



Examining Fringe Religious Groups

By Kenneth A. Briggs

YEW YORK — Fringe religious groups, always a feature of U.S. life, have spread over the past decade, continuing a tradition of religious freedom but taking on dis-tinctive features that could give rise to such a group as the People's Temple and, ultimately, the ritual-istic murder and suicides of more than 900 believers in Guyana.

Nations and cultures have invariably experienced exotic and inno-vative religious outcroppings, but the United States, because of its tolerance for dissent, its idealism and its frontier individualism, par-

"America, despite all its pres-sures to conform, officially said okay to the cults so long as the obeyed the law, said Dr. Langdon Gilkey, professor of theology at the University of Chicago. The followers were there

because, scholars say, young Americans, deprived of strong family ties, confused by rapid social change and untaught in religious tradition, were searching for meaning in their lives.

Separated

"The theology of the cult is always dependent on a message of salvation not believed to be available in ordinary experience," Gil-key explained. "They are some-times radically separated from the world, going into their 'embassy.' The world is a foreign continent and they, the ambassadors.

Many recently formed groups owe their origins to earlier movements. The People's Temple, founded in San Francisco by the Rev. James Jones after he took a small, unorthodox Indiana congregation West and away from what he perceived as intolerance, was spawned as an offbeat Christian church with official ties to the Disciples of Christ.

Ultimately it came to bear little resemblance to an established movement, and that, too, is not uncommon. Technological leaps have brought different religions into increasing contact, and the ef-fect has been that the nation has become a kind of religious hothouse for incubating new varieties of spiritual life, often splicing parts of many faiths into startlingly different hybrids.

Unlike most upstart groups in the past, which appealed primarily to older adults, the present array of offerings draw mostly young followers under the age of 30. These people, scholars says, are hungry for meaning in their lives and are susceptible to the untested claims of self-styled religious "authori-

Influence

Estimates of the number of fringe groups vary greatly, ranging from several thousands to a few hundred. There is little disagreement, however, that a few, perhaps three dozen, have had profound influence, aided by considerable media attention. Though the study of fringe

groups is relatively undeveloped. the appearance in recent years of such a vast, colorful spectrum of religious movements, from Eastern ashrams to Sufi communes, has launched a new branch of academic inquiry, centered in California.

Finding definitions to distinguish certain types of groups from others is proving difficult in the ini-tial phases of the study. Many of the older categories are being scrapped and new terms are

appearing.
The word "cult" is being increasingly avoided, for example, because of its growing exclusive association with destructive forms of religion. I'm trying to find other terms," said Dr. Robert Ellwood of the University of Southern California, "because 'cult' has lost its neutral sense."

Traditionally a "cult" was a group that departed from the doctrines of conventional faith groups and often stood at odds with the values of the surrounding community. A "sect," by comparison, was defined as a group that broke away from a larger, more stable denomination in order to practice the tenets of the denomination more

But the lines that demarcated "cult" and "sect" have blurred, and scholars have begun adopting cept aid from persons they don't

catch-all terms, such as "new relig- chological kind" that emphasizes ious movements" or "emerging

The Unification Church founded by the Rev. Sun Myung Moon il-lustrates the difficulty of trying to pigeonhole groups. That moveent, with an estimated 7,000 hard-core members, embraces elements of Christianity, Oriental phi-losophy and established denominatinal practice, including the founding of a well-equipped seminary.

Another example of the quandary is the controversial Southern California community called Synanon, which mingles teachings from Taoism, Ralph Waldo Emerson and the methods of encounter

Various systems of classifying groups are being put forward in an empt to better understand them. Dr. Frederick Bird of Concordia University in Montreal has elaborated one of the most detailed maps" by dividing the groups into three categories.

Under this scheme, the "congregational" groups, such as Hare Krishna and the Divine Light Mission, stress strong commitment, worship of a "transcendent being" and the presence of a "prophet."

"Schools for learning," such as Yoga institutes and Zen centers, represent Bird's second category. Adherents are asked to learn a discipline, and there is no direct emphasis on a "supreme power" of

Sacred Power

The third type underscores what Bird calls the "sacred power" within and promises ways of tapping that power through self-enhancement. The practice of Transcendental Meditation falls under this category, as do groups such as the "Self-Realization Fellowship."

Dr. Jacob Needleman of San Francisco State College, one of the principal scholars in the West Coast center for the study of new religions, delineates two main categories, the "evangelical kind" that outward directed and the "psy-

-Letters-

Disappointed

Prof. Burns' two columns (IHT, Nov. 21-22) discussing political leadership are very disappointing to those of us who want to under-

stand what qualities men or women

need to become leaders, why peo-

ple follow particular leaders or how

people can tell a potentially able leader from a poor one. In essence, Prof. Burn's main cri-

teria seems to be good intentions,

reflecting the higher aspirations of people generally. Others he charac-

terizes as mere power manipula-

tors. This seems a very strange di-chotomy for a trained political ob-server because political leadership

by its very nature involves the man-

The problem of leadership today "is not the mediocrity of so many of those in power" or the inability

of people to "recognize true leader-ship" but the fact that people no

longer automatically assume their leaders, or the government as an

institution, can cope with the prob-

Prof. Burns' rather romantic view of leadership in making ethics an absolute condition of the use of

the word "leader" seems both a

semantic distortion - Napoleon

was a leader — and irrelevant to the current political scene. ALFRED E DAVIDSON.

Black Page

the involvement of our First Lady and Vice President Mondale in the

horrendous holocaust in Guyana is.

in my opinion, far worse; one of

the most black pages in our recent

history. The reaction of my French

friends is one of incredulous amazement and mine, as not only

an American but a Democrat. of

in such responsible positions to ac-

How can it be allowed for people

deep shame.

As distressing as Watergate was,

agement of power.

lems of today.

an awareness of self.

Most are attracted to the evangelical type," Needleman said, "We are a nation of doers, after all, and we lack a balance between action and the meditative side." A mark of almost all thriving

groups is the presence of a magnetic, inspirational leader who forges; cohesion and serves as a focal point in the group's struggle to maintain itself, sometimes against sharp public opposition.

While history is replete with stories of small, ardent believers strug-gling to uphold certain convictions and establish a way of life, each age gives evidence of shifting trends and longings.

Utopian

The early 19th century, caught in the throes of expanding industrial and social growth, spawned various forms of Christian perfectionist groups. Utopian communities and millenialists. Later in the century, there was a notable upsurge of groups such as Christian Science

that promised healing.
"There has always been lots of religion in America," Dr. Sydney Ahlstrom, professor of religious history at Yale, said. "I'm not sure the quantity changes, but it flows in different channels.

A recent Gallup poll indicated that nearly 12 percent of the U.S. public had participated in some form of meditation or religious practice outside the traditional boundaries of Christianity and

not far off and adds that the percentage has apparently remained the same for decades. Many people are under the impression that the religous scene seems to be in great flux," he said. "But the greatest characteristic is its stability.

The qualities that make this age somewhat different stem from the tremendous increase in cross-cultural religious influences; particularly the spiritual teachings of Hinchanging yearnings of young peo-

ple.
The typical fringe group's fol-

even know and don't even bother

to check out so as to be informed

I venture to say that none of us

JOHN COOPER

can even attempt to evaluate the

ramifications of this ghastly episode which touches so closely so

Ben's Kite

To paraphrase Ben Franklin as

quoted by James Reston (IHT, Nov. 16): "I confess that there are several parts of James Reston's edi-

torial that I do not approve. I can't

consent because I expect better."

America's problems at the time

of the Constitution cannot be com-

pared to the present disaccord fol-lowing the Camp David talks. I

don't see how Reston can compare the uniting of states under one flag,

as was the case then, with the treaty

problems that beset two separate

governments and cultures trying to formulate the terms under which

they can live safely, separately and at peace. Egypt and Isrel are not uniting. They are simply struggling

for peace. They are two nations un-

that he pontificates with words from Poor Richard is worse.

tendency to try to solve Semitic problems (and the world's prob-

lems in general) with homegrown U.S. wisdom. It makes more sense

Khayyam, and leave Ben Franklin to fly his kite.
JUDITH MAIDENBAUM.

Chile Coverage

Your usually serious paper has been covering certain subjects con-

cerning my country [Chile] in a

draw profundities from Omar

der separate rulers, flags and

That Reston compares them to the uniting states is half bad, but

Unfortunately, Americans have a

with whom they are dealing?

many wretched U.S. families.

lower once tended to come from the lower economic classes and to be poorly educated. Most adherents these days are college graduates and middle-class.

Most observers attribute this pattern to a loss of an emotionally enriching family life and to the ab-sence of authoritative adults who could provide models of maturity and faith The intense religious groups that

capture the allegiance of many young people offer what Dr. Lowell Streiker, author of "The Cults are Coming," calls a "substitute ex-tended family." "Because of the family structure,

the individual is not the focus of what is happening," he said. "But there is pressure to conform in order to get the approval, the tender-ness the sense of belonging that the person wants." Streiker believes that for a quar-

ter of the followers the experience is a big step toward screnity, pur-pose and adulthood. The remaining three-fourths, he surmises, "realize they are no better off than they were before and become disillusioned and embittered."

Like all varieties of consumers, the shoppers in the nation's in-creasingly diverse spriritual supermarket tend to go from one offer-ing to another. Millions of Americans sample some religious groups and dabble with others, hoping to

Ouest

But for an apparently significant leads back to basic religious sourc-

"The basic issue is this," said Richard Quebedeaux, a writer who specializes in fringe groups. "The permissive society has created a strong hunger for strictness and discipline and authority. They are bored with materialistic society and out of this has come a search for new meaning in life."

The most common reason for duism and Buddhism, and the leaving he adds is that followers changing yearnings of young peoget "ured of being treated like a child," the reason they presumably had for going to the group initially.

way. For two consecutive days (IHT, Nov. 11 and Nov. 12-13) we

were presented with large photo-

graphs of some elegant old ladies attending an anti-Chilean meeting in Madrid. The which, by the way,

apart from that social aspect, was a

Now, we have been startled with

a new scoop (IHT, Nov. 15) con-

cerning the supposed allegiance of our foreign minister, Sr. [Hernan] Cubillos, to the abhorred CIA. I

take this to be part of a new trend:

In Europe, everybody is being accused of old Nazi activities; in

America, apparently, connections with the CIA will do. At any rate,

both accusations are enough to bring about the ruin of a man's po-litical reputation . . .

complete flop.

Algeria.
The lights of Cairo, like the lights of Cairo, like the lights of Cairo, like the lights are the lights are the lights. of other metropolitan centers. attracted and repelled. When Moamer Qadhafi of Libya was to play Bismarck and unite Arab world, he wanted to red Cairo: smash its casinos, nightclubs, rein in women's lil ation, institute Islamic law. : Cairo was too sophisticated compromised and lost, to use Libyan president's language - accept his ideas. This, of course an old theme: the puritanism of

Cairo,

By Fouad Ajami TEW YORK - There is

During the days of the Ottor

Empire's tyranny, Cairo provide haven for the talented and the

sident to think and interest the world. Cairo and Beint

the two places where mobile Ar

tuals, conspirators — got to be one another. But it was Cairo

tion: There bourgeois, cosm

tan civilization had its heyday the Arab world.

larized by films that were the tural diet of the overwhelming jority of Arabs. The Egyptian h

was equally important to the st

ing of tastes and mores of o

Arabs. Egypt's universities we

magnet to Arab youth at a.t. when few Arabs could and sego to Europe and the Uni States. The Egyptian teacher, in

as he did in a crowded soci

sought to make a living as far a

as the Arabian Peninsula.

Modern-day Arab national may have been conceived t

businessmen, students, intel

was the bearer of particular to tion. There bourgesin

where, but it was Cairo that gap power and meaning. The Egypt film, book, university, and Egyptian teacher knitted togeth

vast region of considerable divergible ty. colloquial Egyptian was po

desert reclaiming decadent urt. civilization and restoring the at enty of tradition. Intuitively, the Libyan preside understood Cairo's centrality a realized that there was no rival to in the Arab-Moslem order. la t peninsula, men with immer wealth are busy trying to creat me sive and instant cities and sites industrial power. They wish combine the puritanism of t desert with the technology of f West. But the prefab houses the import will not make cities, for city is more than prefabs and ste-

bars. What is pivotal are the habi

- and those cannot be impose

of mind, the culture, the vibrant

duplicated or bought off the rack." Damascus and Baghdad were it seats of two Islamic empires, it they are large provincial town today. The latter was sacked by the Mongols several centuries ago an has never recovered its granden All this, in addition to the obvior military calculus, must have figure in the recent Baghdad same meeting that brought together And "moderates" and "rejectionists." Cairo was giving up on war, so the reasoned, it must have been be cause of the appetites of the city and so maybe an offer of \$50 be lion of aid would do it and have Egypt back into the fold. Predict ably, Mr. Sadat turned it down-

Egypt, he confidently stated, 🗷 isolate and cannot be isolated Cairo is an authentic capital a world in its own right, and not a shadow of something else. It holds up a mirror for other Arabs: In its successes or failures, its viability of troubles, they can see the harves of much of their history and a great deal of their future.

Let us hope that the [International Herald Tribune's] new trend will soon give way to its traditionally less thrilling but more objective methods of information. JULIO RETAMAL FAVEREAU.

Cultural and Press Attache, Embassy of Chile. Neuilly-sur-Seine, France.

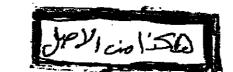
Murray M. Weiss

Found Ajami, assistant professor q politics at Princeton University, wrote this article for The New York

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A Special Report.

PARIS, NOVEMBER, 1978

THREE

The Euromarket—1978

Maximizing the Expertise for Solving Third-World Problems

LDCs Hire **Bank Team** To Learn 'Gimmicks'

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DARIS (IHT) — A few years ago at what one commercial bank-er labels as probably the low point in the relationship between investment and commercial banks, officials of Dillon Read, acting as advisers to the government of Algeria, invited a battery of commercial bankers to their New York office.

By Carl Gewittz

"The setting was intended to press," recalls one participant, "appropriately panel-walled with portraits of [former partners] Dillon and Forrestal. You get a pretty

Our hosts informed us that 'as advisers to the government, we're here to negotiate a financing for Algeria. At that point, the guy from Citibank got up and left, saying, When the Algerians want some money, tell them to call me. I don't have to sit here and have you guys tell me what the Algerians are

"They were a bit heavy-handed," the participant says of the Dillon Read approach, "treating the com-mercial bankers like country boys." Since then, with the external debt burden of less developed countries rising at a rate many experts consider alarming and recurrent fears that a default by one or more LDCs could trigger a repudiation of international debts throughout the Third World, investment and commercial bankers have sheathed their competitive knives. The emphasis now is on maximizing the expertise at the dis-posal of LDCs to help solve their

This new mood of cooperation among banks extends not only across the boundary of investmentcommercial banking, but within the investment banking field. The leaders in the rush of investment banks to change places at the negotiating table from face-to-face to shoulderto-shoulder with would-be borrowers are three arch rivals -Kuhn Loeb Lehman Brothers-Lazard Freres of Paris-S.G.Warburg --- sitting as a team.

New Mood

These banks, once the leaders of the Eurobond market, were de-throned by the "universal" banks of the Continent which, functioning as both investment and commercial banks, were able to underwrite and place more bonds. For a while, the investment banks also played the role of broker in the syndicated loan market - putting borrowers in touch with a consortium of banks. But the commercial bank lenders were quick to displace them, pocketing all of the commis-sions instead of sharing them with

the "broker" banks.

Having moved as brokers to the middle of the negotiating table, it was natural that the investment banks should ultimately find themselves sitting beside the borrower, negotiating on his behalf with the lending institutions.

The Kuhn Loeb-Lazard-Warburg triumverate got started in car-1975 in Indonesia — in the wake of the near financial collapse of the state-owned oil company Pertamina. Helie de Pourtales, a Lazard partner, was trying to market the advisory service, telling all who would listen, including journalists, that this was the wave of the future for investment/merchant banks.

But it was the Indonesians who suggested a team effort. Warburg, which already had ties to the country, was the natural U.K. partner. Kuhn Loeb -known to the others as a willing sharer of business as opposed to, say, a Morgan Stanley. which is a "loner" — fitted in as the U.S. link because the other two banks knew they could work with

(Continued on Page 10)

The IMF Reach (in millions of SDRs) PORTUGA PANAMA SRI LANKA MADAGASCAR WESTERN SAMOA _6_

IMF: Belt-Tightening for **Deficit-Plagued Nations**

WASHINGTON (IHT) — On a cloudy, tepid morning last February, the Zambian government announced a series of austerity measures that were destined to crimp the nation's already-low living standard: The plan would include a major devaluation of the Zambian currency, a sharp cutback in government spending, and a spate of new taxes and import restrictions. It was hardly a program likely to prove popular.

Caught in a foreign exchange bind, the government was trying to negotiate a \$305 million emergency line of credit from the International Monetary Fund, and the austerity program was the fund's price for the loan. The move was a harsh one, but the only other choice was to go bankrupt and live without vi-

tal imports.

This incident was not unusual. but it does serve to illustrate a point. The 130-nation IMF, whose ob is to police the strained world monetary system, is gaining increasing power over its members' affairs - often, in the case of weaker nations, to the point of setting ine terms of their domestic eco nomic policies.

Besides the Zambian case, the IMF has forced stringent austerity measures in almost two dozen delicit-plagued nations during the last several years, ranging from Britain and Italy, in 1974 and 1977, to

By Art Pine Honduras and Jamaica. What is

more, international experts say its clout and influence are growing

The question is, are IMF officials overstepping their authority in forcing weak countries to adopt critics argue that the fund has been too inflexible, overly tough on developing countries and insensitive to the human hardships that its belt-tightening orders inevitably

bring on. Indeed, fund-mandated government austerity programs recently led to rioting in Peru and Egypt, with residents protesting their leaders' decisions to raise domestic prices. And diplomats from some developing nations regularly grouse that IMF officials demand more from smaller countries than from large ones. "If the big countries fund disappears."

There are these criticisms: The fund's reliance on austerity measures to correct a country's foreign exchange deficit unfairly places the borrower in an econor box. The aim of the belt-tightening is to cut back on imports by slowing consumption. But the cutbacks almost always leave the horrower too weak to spur the domestic production needed to boister exports — a no-win situation

· Critics say the IMF too often bases its cures on the standard tourniquet treatment traditionally reserved for major industrial countries, without seeming to realize that developing countries - which do not have the same manufacturing hase - cannot bounce back as easily once the fund's dose of inflation has reduced their consumption

• The IMF's harsh economic medicine too often is forced on borrowing countries without benefit of companion development grants, which would help ailing nations to strengthen their production capabilities. Although in some cases the governments seeking IMF credit also are able to obtain World Bank loans and bilateral aid, the total rarely is enough to ease the pain by much.

• Critics charge that the IMF's austerity measures more often ben-(Continued on Page 14)

Investment Banks Clamber Back Into Management

By M.S. Mendelsohn

L ONDON (IHT) — In the Euro-credit and Eurobond markets, investments banks have suffered the usual fate of pioneers. Having started both markets, they were edged aside by the big battalions of the universal banks. This is not suprising. More remarkable is the important but mostly unpublicized role that European investment banks have retained in Eurocredit lending and the enlarged part that U.S., Japanese and European investment banks have again come to play in the Eurobond market during the past two years.

The contribution made by Euro-

pean investment banks, mainly British merchant banks, to the beginnings of the Eurocredits market has never been extensively recorded because the market itself attracted little public attention or any statisits early years. But during those years, important changes took place in market mechanics, which duly led to changes among lenders

and borrowers.

The beginnings of the Eurocredit market go back to 1965 when controls on the export of capital from the United States forced U.S. companies to finance their overseas investments by borrowing abroad. They immediately became bor-rowers in the fledgling Eurobond market, but they also financed some of their foreign investment by means of medium-term Eurodollar loans. Those loans were readily supplied by U.S. commercial banks that followed their customers abroad, as well as by other international banks anxious to establish themselves in a new market.

But the banks were painfully reminded of the dangers of borrowing short (at fluctuating rates of interest) to lend long (at fixed rates) when the U.S. credit crunch of 1969 pushed up money market rates in the United States and the Eurodollar market by almost 300 basis points in the space of six months. Chastened by that experience, banks became generally unwilling to lend even to the strongest borrowers except at floating rates of interest, which have remained the market's most distinguishing feature ever since.

position of borrowers began to change. Many of those with sufficient credit standing and needs of a size encompassable by the international bond markets switched to those markets in order to retain the advantages of fixed-interest financthe innovation of floating interest

portion (although not the actual level) of Eurocredits going to corporate borrowers, down to about 20 percent this year from about 50 percent in 1970 and a probable majority during the uncharted late

ing. At the same time, the protec-tion that banks had obtained from rowers was accompanied by a transformation in the composition rates made it possible for them to of lenders. In the early years, the provide balance of payments fi- management (or arrangement) of nancing on a scale that previously Eurocredits was dominated by Brit-would have been impossible — ini- ish merchant banks, which have tially to Italy in 1970, to many de-greater freedom than their U.S. veloping countries as of the next counterparts to engage in all kinds year, and to all of the world's deficit countries except the poorest af- quick to seize an opportunity to ter the oil price explosion of 1973. earn high-fee incomes on a small The result was a decline in the pro- capital base, because they could

studied the possibilities of impos-

created, then they would have been

and they would have been imple-

of the members of the Federal Re-

policies, but the Federal Reserve

banks up to 80 percent of any Eu-

rocredit they arranged.

Commercial banks were originally willing to play the relatively passive role of merely providing funds. Most of them did not yet have the specialized personnel or established international connections to arrange Eurocredits themselves, and the new market provided an easy way of building up international loan portfolios and a clientele that was also international.

Even when the stakes grew larg-er, many commercial banks still hesitated to undertake the arrangement of Eurocredits themselves; in this part of the business took place

The regulators are now striving to identify concentrations

of lending that seem large in relation to bank capital and

country conditions, and they are carefully examining the in-

ternal procedures in individual banks for monitoring and

through consortium banks in which of terms and the supervision of they owned shares. It was only around the start of

this decade that the management of pass to the world's biggest commercial banks, and it was inevitable that this should have happened. They alone had the resources to meet the huge increase in the demand for credits, particularly from 1973. And having once acquired experience in the business, they saw no need to continue foregoing management fees to others.

Far more important was the need of the biggest lenders to protect their growing exposure by playing a more active part in the evaluation

agers themselves. And that, in turn, brought about another important publicized Eurocredits began to change in market structure and

In the earlier days, when merchant and investment banks had dominated the arrangement of credits, participations were parceled out in roughly equal amounts among commercial banks, all of which had nearly the same say in deciding terms to borrowers. But since then it has become customary in the market to talk of a "whole sale sector," consisting of large commercial banks that arrange credits, take the major share and

U.S. Monetary Curbs Could Effect Market Expansion

By Frank Vogl

WASHINGTON (IHT) — U.S. W bank-regulating authorities will not seek to impose assorted rules and regulations on the Euromarkets. They will not strive to work with foreign authorities to create an intricate system of international controls on capital flows. They may, however, take domestic monetary policy measures to curb the foreign lending activities of U.S. banks, which could have a profound impact on the further ex-pansion of the Euromarkets and upon the future character and shape of these markets.

William Miller, the former industrialist who became chairman of the U.S. Federal Reserve Board earlier this year, has publicly expressed concern about "all those dollars sloshing about" in the international marketplace. He has sug-gested that it might be a good idea to work with other central banks to impose controls on the foreign assets and liabilities of commercial banks in an effort to bring tough regulation to the Euromarkets.

Mr. Miller is a novice in the central banking game and has negligible experience in international currency and credit matters. Men of greater wisdom and experience within the Federal Reserve System have candidly told the chairman As a result of that important that his ideas are misguided. He change in marker practice, the com- seems to have got the message.

controlling foreign risk. System does hope that the dollar and numerous central banking offiflow can be influenced to a modest degree by purely administrative actions. It was this thinking that recials in the United States have ing controls on the Euromarkets. If sulted some weeks ago in the elimipragmatic systems could have been nation of reserve requirements on U.S. banks on their foreign borrowmented as well. This is what some

serve System's open market com-mittee have crisply told Mr. Miller. In addition, these same officials have pointed out that the most effective way of regulating the Euromarkets lies in controlling the volume of dollars in these markets. him more and more aware of the This can be done in part by better urgent need to slow the growth rate of the U.S. money supply. Whether the Federal Reserve Board will sucmanagement of U.S. money supply and the nation's balance of payceed in this undertaking, consequently contributing to a slower ments. It can also be done by striving to attract a substantial flow of growth rate on the Eurodollar mardollars back to the United States. Of course, the flow of dollars to credit-tightening moves in the the United States is directly contingent upon the U.S. payments balance and domestic anti-inflation United States do suggest new ef-

ing Central bank officials in the United States admit that this measure is of minor importance. However, the scale of the Euromarkets and the problems caused to global monetary stability by the rapid expansion of these markets, is a further influence on the education of Mr. Miller, and it is making

would also undermine world trade growth, possible reducing U.S. export opportunities. , remains to be seen, but recent

forts on this front. A directly related issue of utmost

importance today centers on the rapid expansion of foreign lending by U.S. commercial banks. One view within the U.S. government is that the U.S. balance of payments and the regulation of the Eurodollar market's growth rate could be improved if the authorities were to clamp down on the foreign lending activities of the banks, A different view now being expressed is that this foreign lending is vital to the health of the global economy and that curbs on this lending would not only produce critical situations for numerous foreign countries, but

Indeed, the regulatory authorities in Washington now appear to recognize that the risks involved in a brutal clampdown on U.S. bank lending overseas are simply too great. All the same, these authorities believe that the pace of lending should be slowed and that the forcigo activities of the U.S. banks folios of the U.S. banks, and they

latter point the prime concern is that the health of the U.S banking system could be endangered by the villingness of banks here to take undue risks in lending to foreign

Cooperation

As the level of foreign lending by U.S. banks has increased in recent years, so the concern on the part of the nation's banking regulations has risen, even though the regula-tors admit that loan losses in the domestic market have been far greater than foreign losses for U.S.

The problems with monitoring foreign lending are deemed so complicated that in a rare vote for cooperation the three U.S. authorities the Federal Reserve System, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corp. — have agreed to pool their resources and expertise. So far these regulators have worked well together. They have not as yet forced many banks to curb their foreign lending activities; those that have been told to cut down have tended to be modest-sized institutions with abundant domestic financial problems. The regulators have formulated a set of guidelines for carrying out audits on the foreign loan port-

should be better supervised. On the have also established the best reporting system of its kind in the

> The regulators are now striving to identify concentrations of lending that seem large in relation to bank capital and country conditions, and they are carefully examining the internal procedures in in-dividual banks for monitoring and controlling foreign risk. However, recognizing that their skills are limited, the regulators have decided against trying to formulate country

credit ratings by themselves.

As the Federal Reserve System has noted, "there is no precise way of measuring country risk, per se, or of assigning probabilities to po-tentially adverse developments in a country." Further, the examiners agree they have neither the experience nor the ability to try to establish "a list of particularly risky countries to which banks would be told not to lend."

The insights gained by the regulators on the foreign lending activities of U.S. banks is based in large measure upon a highly detailed questionnaire sent every six months to the largest banks in the nation. Some 124 banks have reported under this system, according to the latest published data for the period to the end of 1977.

The likely future actions of the regulators in this area can best be (Continued on Page 16)

<u>Euromarkets</u>

More Selective Use of Human Rights Sanctions Is Foreseen

WASHINGTON (IHT) — When President Carter delivered his first big foreign policy address 18 months ago, one of his major themes was to renew his campaign pledge to "promote the cause of human rights." Outlining a new turn in U.S. policy, Mr. Carter indicated the United States would begin using its economic muscle to prod dictatorship governments into ending their oppression and political harassment.

The message was clear: If a forcign government wanted to operate as a dictatorship, oppressing basic human rights, it could do so — but without U.S. economic aid. Mr. Carter conceded that "I have no illusion that changes will come easily or soon." But he asserted the United States had to make the effort anyway, if only out of an obligation to exercise moral leadership.

Today, a year and a half after those Delphic pronouncements, Mr. Carter's human rights program has run up a decidedly spotty record, and the White House is in the process of trimming it back. Some experts estimate the United States has cut off as much as \$10 billion in sales and aid because of various human rights "violatious." But there is little to show for it in terms of foreign governments'

The impact of these human rights policies on the Eurocurrencymarkets has been modest, if even perceptible. Analysts say the major result of Mr. Carter's sanctions has been a minuscule hold-down on exports, contributing in some measure to the burgeoning U.S. trade deficit. But they dismiss the total as too small to count for much.

In fact, officials concede that in a good many cases the cutbacks while nobly intentioned - have proved counterproductive. As with any sort of cutoff threat, once the United States has decided finally to end trade or aid to an oppressiveseeming regime, it loses most of its influence over that country's policies. And in many cases, the country just buys the same goods else-

Indeed, some critics charge that, if anything, the policy seems to have hurt the United States more than it has damaged the target countries. There is a growing feeling here that the White House intervention has given the United States an image of not being a reliable exporter - a dangerous notion for any nation to work under.

And despite Mr. Carter's own determined commitment to his human rights stance, the policy is not universally popular at home. Conservatives have made no effort to hide their conviction that outfront human rights confrontations too often run the risk of backfiring. merely prompting countries to dig in further rather than concede to any reforms.

Critics argue that the kind of low-profile "quiet diplomacy" practiced so often by former Secretary of State Henry A. Kissinger gets more results in the end by prodding "violators" to change than Mr. Carter's open-confrontation tactics, which embarrass and anger the home government. Mr. Kissinger's success in prompting the Soviets to liberalize emigration

laws is an example.

The conviction that it is time to revise the human rights policy is shared by virtually all top foreign and economic policy officials. But policymakers warn that the United States is not likely to scrap its human rights policy entirely but will use it more sparingly. Uganda is not likely to begin receiving U.S. aid again anytime soon. But a factory project in South America may not be blocked.

"What has happened is that we've tried to use economic leverage to do too many things, and the president and others are beginning to realize it," says one observer close to the situation. "The problem is in finding the right sort of balance. Right now, it's obvious that the pendulum has shifted too far in one direction. But we're not sure where it should come out."

What changes do occur probably will not affect either Mr. Carter's own rhetoric or the administra- retail demand. By contrast, Credit tion's basic philosophy that the Suisse First Boston, 40-percent-government should continue its owned by Switzerland's third largfield. Experts say that Mr. Carter in bringing such issues to market still will speak out generally about The Swiss also note that the the human rights issue. But officials will be more selective in attempts to threaten cutoffs of aid or sales.

This basic shift in U.S. policy already has begun to show up in major administration decisions during the past couple of months:

• Last month, Mr. Carter per-Argentina by the giant Allis year ago it held seventh place.

U.S. business has complained bit-terly, and it is getting the presi-dent's ear.

Contained by Chalmers heavy-equipment manu-facturing company. As one official put it later. "It has been a mistake all along to let the element of human rights creep into exports. What do we do if someone else sells them the same stuff?"

 Last summer, the administration approved a controversial \$144 gress for such diverse purposes as million deal negotiated by Dresser Industries of Dallas, Texas, to sell the Soviets a modern plant for making sophisticated bits for oil-well drills.

For all the hullabaloo about the administration's human rights poli-cies, the flap may be overdone, at least if the cost estimates for the

program are accurate. Of the rough \$10 billion figure cited for the overall economic impact, only about \$500 million actually is attributable to cutoffs that Mr. Carter has ordered on his own.

The rest stems from cutoff actions mandated separately by Concountering the Arab boycott of Israel, Palestinian terrorism, enforcement of U.S. nuclear nonproliferation goals, cracking down on corporate bribery, denying strategic information to potentially unfriendly nations and other issues. Indeed, the notion of withhold-ing U.S. sales or aid for "human

amendment in the 1974 Trade Act. That rider, designed to meet domestic protests over Soviet emigration policies, denied most-favorednation status - and export credits - to the Soviet Union until it eases its restrictions.

In succeeding years, Congress added a spate of new human rights riders to major trade and economic legislation, ranging from an anti-Arab-boycott law in 1976 to a halfdozen attempts in the House and Senate to withhold U.S. contribu-tions to the International Monetary

rights" grounds actually goes back before Mr. Carter's administration, to the controversial Jackson-Vanik

Fund and World Bank if either institution granted aid to a dictator-ship country. Most of these failed.

Since then, outside experts estimate the United States has suffered more than \$1 billion in export losses from the Jackson-Vanik amendment alone - and similar amounts each under the Arab boycott, strategic exports, bribery and nuclear non-proliferation statutes. Mr. Carter's human rights ventures have amounted to small potatoes by comparison.

By far the major economic impact has been on trade. The United States actually has withheld relatively little of its foreign aid on

terdam Bank, Kidder Peabody and

The newcomers to the list includ-

ed European Banking in sixth place, Banque Nationale de Paris as No. 8, Credit Lyonnais in ninth place, Dillon Read and County

Bank vying for 12th place and So-

ciete Generale, tying for last place

The ranking of County Bank, the merchant-banking arm of National Westminster, which led one issue

for its parent, caused bankers to

comment on the "unrepresenta-

tive" nature of this year's list due to

Last year, for example, the least number of issues managed among the top 15 was five. But it should

also be noted that Morgan Grenfell

pulled up the bottom of last year's top 15 with the equivalent of only

\$188.2 million compared to this

The accompanying chart, in ad-

dition to listing lead mangers in all

Eurocucrencies, also shows the ranking, marked in parentheses af-

ter the bank's name, as lead mana-

ger of Eurodollar bonds. Three

numbers are missing as the banks

These included Kidder Peabody,

hich took 11th place; Chase Man-

hattan Ltd., in 12th place, and

Dean Witter Reynolds, which was

did not qualify for the wider all-

Eurocurrencies list.

year's minimum of \$205 million.

the tribulations of the dollar.

Morgan Grenfell

with Hambros.

ments and banking. Only a few private transactions have been blocked, although the moves have made headlines when they have

The trade and economic cutbacks have affected countries in almost every part of the world, but the bulk, by volume, has involved the Soviet Union, the Middle East and South America. The only major cutoff affecting Europe's Eastern bloc, for example, has been the withholding of credits to Romania for the purchase of U.S. agricultur-

al products. What has caused officials to rethink the human rights policy is the same set of considerations that critics predicted earlier would force the administration to retrench from its original plan: The broader human rights effort has proved difficult to administer effectively, and from a sheer economic point of view it is

Cutbacks

Mr. Carter's original notion was to use the human rights economic dgel essentially at the administration's discretion. Whenever policymakers wanted to exert pressure on a dictatorial government, they simply would order a cutback in trade, aid or export credits. While some countries might not react, U.S. economic power would most likely force some visible results.

In some instances, the cutbacks have served effectively enough simply as a statement of protest in the face of what officials knew in advance would be an impossible situation. The White House recently blocked the sale of a Boeing 707 to Uganda, for example, at not great cost to either side. And it cut off help to Libya as a protest against Palestinian terrorism.

But in other cases, the cutoff efforts have backfired and have hurt U.S. interests more than those of the "violator" country. Officials concede it has done little good to withhold U.S.-made tractors from a dictatorship when the regime can buy them easily from another nation that manufactures similar equipment. It is only the U.S. trac-

tormaker who actually suffers. Similarly, White House insistence that U.S. firms selling abroad follow the same stringent environmental and safety standards that Congress requires for sales in the

human rights grounds. And experts say the human rights initiative has spread complaints by businessmen that the rule would not enable them. to compete with foreign manufacturers, who are not subject to such regulations:

Moreover, the human rights policy has been carried out so haplia. zardly that many businesses complain they have no way to be sure in advance whether a sale will be challenged. Experts say the uncertainty has affected both sellers and would-be buyers — dampening the emerging new U.S. export push. Some small exporters have become discouraged and have stopped trying. And buyers are now wary.

Reassessment Due

These economic considerations have been heightened by the recent deterioration in the value of the dollar, which is based in part on the U.S. trade position

Indeed, the administration itself has had its problems with would be. human rights advocates in Congress. Congressional efforts to hold back U.S. military sales to Turkey. in part on human rights grounds prompted the president to com-plain loudly that the lawmakers, were tying the administration's hands on foreign policy. Congress finally relented and restored the

And despite Mr. Carter's own hard-line stance on some issues, the White House opposed Capitol Hill! attempts to tack on human-rights amendments to bills authorizing U.S contributions to various international financial institutions such as the IMF and World Bank Treasury officials warned that the restrictions would result in chaos

Just how far the administration will retrench remains to be seen. Although policymakers have not set down firm ground rules yet, the speculation here is that the revised policy will reflect substantially more discipline that the administration has exercised before. In a word, Mr. Carter will carefully limit his shots to those with particular symbolic importance.

Meanwhile, the administration's plan to use its economic muscle to accomplish human rights goals appears headed for the same sort of leavening as other Carter campaign themes in recent months. As one official put it, "It's a lot more difficult to carry out these things after stiff you're in office than to propose them during a campaign."

The Great 1978 Lead-Manager Shuffle

PARIS (IHT) — There was a considerable shuffle among banks in the "league" table of lead manager of publicly listed Eurobonds this year with five banks dropping out of the top 15 (plus one merger) and

The top five were the same as last year with the newly-merged Credit Suisse First Boston and S. G. Warburg, which supplied the data for the accompanying chart, the only merchant banks in the first rank otherwise dominated by the West German "universals."

The most notable shift was the position of the Swiss. Union Bank of Switzerland dropped to 11th place from No. 6 last year and Swiss Bank Corp., which held ninth place last year, failed to make the top 15.

The Swiss note that more than half the total volume of Eurodollar bonds this year has been in floating rate notes — instruments for which they say they see no broad-based evangelism in the human rights est bank has played a leading role

> The Swiss also note that their clientele were not buying dollars this year and that they were active co-managing issues denominated in Deutsche marks (only West German banks can lead-manage DM issues).

Morgan Stanley was another casualty, failing for the first time to sonally reversed an earlier White make the list at all (nor did it make House decision to deny export the top 15 as lead manager of only credits for the sale of machinery to dollar-denominated Eurobonds). A

LEAD MANAGERS OF LISTED PUBLIC ISSUES. ALL EUROCURRENCIES

		No. of issues	Vol. in Mil. Dirs.
1.	Deutsche Bank (2)*	34	2802
2.	Westdeutsche Landesbank	21	1154
3.	Credit Suisse First Boston (1)	16	920
	Drescher Bank	13	727
	S.G. Warburg (3)	14	709
	European Banking Co. (4)	7	380
	Commerzbank	5	313
	Banque Nationale de Paris (7)	8	308
	Credit Lyonnais (15)	4	304
	Orion Bank (5)	3	300
	Union Bank of Switzerland (6)	3	299
	Dillon Read Overseas (8)	ă	225
	County Bank (9)	ī	225
	Societe Generale (10)	3	205
		4	205
14,	Hambras Bank (13)	4	203

Figures in parenthesis represent standing as lead manager in dollar issues only.

This investment bank dominated the market in the early years through 1971, when it began to cede ranking to the Continental 'universals" that house commercial and investment banking operations under one roof. This was the first full year of the firm's secondarymarket trading, which it says has been profitable on a volume that exceeded expectations.

It attributes the decline in its new-issue business to slack demand from corporations in North America and Australia, its major areas of activity, as well as to the fact that issues it did bring were mostly private placements. Those public issues it did lead tended to be in the Yankee market in New York. Also missing from this year's

Kidder was lead manager of five issues worth a total \$200 million. Chase led three issues worth \$195 million in all and Dean Witter Reynolds brought two issues worth \$125 million to the dollar market.

— C.G.

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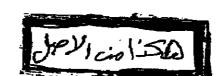
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Euromarkets_____

Are the Russian Bankers Doing More than Lending Money?

By Bernard Wideman

Single Suppose with the southeast Asia since 1971 through the man and southeast Asia since 1971 through the man and southeast Asia since in Singapore, the man and southeast Asia since and more tales that the southeast Asia since and more tales have surfaced about the sort of the have surfaced about the sort of the hold of the business the bank does. A number of governments in Southeast Asia damped of alarm to the disclosures, and the half those concerned have acted to rein that the business from Moscow.

Western views of the Soviet Unsion have changed considerably
since the Cold War days. But in the
eyes of the Chinese, "Social imperitic time." is the greatest threat to the che dism' is the greatest threat to the have embarked on their own conmanufacture Soviets out of the Third World — The With and especially South and Southeast in (Asia

and offered So imagine the surprise and an-solution to larger on the part of the Chinese when the total state officials in Peking learned that the state of the Soviet Union had become the holdith training or of a mortgage on 66 million administration of a mortgage on 66 million administration. The land was on Lantau Island, and reduce part of Hong Kong. As one Chinese source says, it was "a perfect of Chinese source says, it was "a perfect place to set up an espionage post to come rough coming and going through the combinate to coming and going through the Pearl River" to Canton.

The tract of underdeveloped and fell to the Moscow Narodny matitudes and fell to the Moscow Narodny and World to default by a Hong Kong Chinese

matitude Bank (MNB) as the result of a man all World is default by a Hong Kong Chinese warned the by the name of Wong Wingtonian to the administration of the administration of the Moscow Same to be a Moscow Rank's Singapore branch

same to be g some \$20 million from the Moscow maker have Narodny Bank's Singapore branch between 1971 and 1975. The loans that the word taken principally by Mr. Wong's Pacific Atlantic Finance of the admission (Co. (Paclantic), a Panamanian conof the same poration, and were secured by 83 percent of the shares (390,000) of with part of the shares (490,000) of Wr. Wong's Hong Kong Resort Co., which shares were held by Paclantic. Hong Kong Resorts had been given the large tract of land been given the large tract of land the time that on Lantau Island by the Hong Kong government in exchange for other parcels of land. His project, as accepted by the Hong Kong gov-" " " ernment, was to develop the tract had many into a huge resort complex.

Not Involved

In October, 1976, a financial newsletter in Hong Kong, Target, printed a story about Eddie Wong's connection with MNB. The publisher of Target, Raymonde M. Sacklyn, said in an interview that his publication is subscribed to by previously expressed interest when he had written about MNB. The following month, the Hong Kong government requested that Mr. Wong state in writing whether or not Soviet money was involved in his Lantau Island project. According to informed sources in Hong Kong, he stated that Soviet money was not involved.

Stories about the MNB connection, however, continued to appear in the press, including the Chinese government's New China News Agency. In April 1977, the Hong Kong government placed the Wong

company in receivership, on the re-ported basis of a few complaints by the welcome is cool." employees of Hong Kong Resorts that they were not receiving their pay on time. Then, on May 11,

1977. the Hong Kong Supreme Court ordered that ownership of Hong Kong Resorts be transferred to the Russians, on the basis that Paciantic had defaulted on its loan. MNB thus held 83 percent of the shares of Hong Kong Resorts. But they did not hold the shares for

In a quiet move by the Chinese and the British authorities in Hong Kong against the Russians, MNB was forced to sell the shares at a loss to a Hong Kong group. The feeling in Hong Kong is that the Russians were made to understand that their presence on Chinese territory would not be tolerated.

The Hong Kong group that was put forward by the British authorities in Hong Kong was a shelf company called Thornleigh Ltd., which was taken by a textile magnate named Cha Chi-ming and a land developer named John Wu. The principal figure is Mr. Cha, who is known to be close to the Peking known to be close to the Peking

On May 30, 1977, with no other known bidders competing. Thorn-leigh Ltd. bought the Wong shares from MNB for HK\$30 million (U.S.\$6.5 million). The shares had originally secured a loan of U.S.\$20 million, and should have been valued in the neighborhood of HK\$92 million. The land value is independently estimated to be U.S.\$100 million, or HK\$460 million. Most people consider that the HK\$30 million purchase of the controlling share from MNB by Thornleigh was a giveaway.

John Wu, the Thornleigh part-ner, said in an interview that the money was paid to MNB director V.V.Gerashchenko (one of the parent bank's seven directors and concurrently the head of the Singapore branch) in the office of the bank's lawyers in Singapore while the shares were being turned over to the Hong Kong buyers by the bank's lawyers in Hong Kong. Thus ended a fortnight of Russian conversible of part of China (Feddie Wong has since brought suit in London against MNB.)

And that was only a single case. There are many others that are being looked into by the Hong Kong authorities, as well as by other governments in Southeast Asia. Authorities in Malaysia, Indonesia and Singapore are looking into Russian loans to their nation-

barrassing to the British authorities in Hong Kong, who are aware that they control the island colony at the sufferance of, and in trust for,

China. The irony is that Britain allows MNB's home office to function in London but is unwilling to allow an MNB presence - even in the form of loans — in its Chinese colony: In short, the British authorities in Hong Kong will be unfriendly to the Soviet Union and to Hong Kong businessmen using Russian money. A Soviet ship captain put it well in a published comment: 'The

The atmosphere is cool, and is getting cooler. In 1977, only five Russians (of 19 who applied) were granted visas to visit Hong Kong. So far in 1978, only two Russians have been given visas. Previously, eight to ten Soviet ships per year would be overhauled in Hong Kong. In the past half year, not a single Russian ship has been overhauled in the Crown Colony.

East Europeans and Cubans are also kept at arm's length, although not so severely. In this group so far 161 persons have been given Hong Kong visas in 1978. But 261 appli-cants have been rejected. The Vietnamese are now regarded with suspicion since they have begun to side with the Soviet Union in the Sino-Soviet rift. Vietnam's trade bureau in Hong Kong was recently booted out of its offices in the

Bank of China building
Britain was granted Hong Kong
and later Kowloon and the leased New Territories, by the tottering Ch'ing Dynasty through disastrous treaties and indemnities drawn up during the 19th century. Although Britain was apprehensive over the security of the colony during the first two decades of Communist rule in China, it has become clear, especially in post-Mao China, that Peking is glad to have the foreign enclave at its doorstep, mainly for

business reasons. But Britain knows the rules of this new gentlemen's agreement Possibly the most odious rule to the outside observer is the agreement that the British authorities will return to China any refugee caught in the act of crossing over to the col-ony to seek asylum. (Those who make it to the urban areas are left alone.) On the other hand, Vietnamese refugees are accepted.

How Moscow Narodny Bank almost spoiled this harmonious rela-tionship is something that British officials are loath to talk about. A spokesman for the colonial government said that "it's a highly sensitive political thing . . (and) any comment would have to come from

Most discussion, informal and in ownership of part of China (Eddie the press, on the MNB connection with Hong Kong has focused on the question of whether or not the Russians were up to something other than lending money. A Chi-nese official in Hong Kong believes that they were, and are. "The Soviets are devious," he says, and leaves it at that

Sources say that at least 20 Hong Kong business groups have accepted loans from MNB. They are being tracked down by the authori-The entire episode was quite em-Kong Resorts to be put on the block is Amos Dawe's Mosbert Holdings Ltd.

Mr. Dawe was given by MNB some U.S.\$60 million in loans from 1971 to 1975 which he used, on instruction of MNB, for buying up a wide assortment of companies. In an interview in Target in 1976, he said, "I did not know that the Russians were using me and my companies to get into Hong Kong, Malaysia, Indonesia, Australia and

Hong Kong authorities had out

A Soviet journalist here stoutly denies that MNB [Moscow Narodny Bank] was hatching a sinister plot by making shaky loans secured by real estate. . .

his company into receivership earli-er that year after MNB cut off fur-ther funding.

The man who made Mr. Dawe a millionaire is Teo Poh-kong. P. K. Teo, as he is known in banking circles here in Singapore, was the man whom the Russians chose to manage their Singapore branch when they opened shop in 1971. He had worked with the Bank of China, the Bank of America, and United Overseas Bank, Mr. Teo was looking for a new position when MNB approached him, and he accepted. In a few years he expanded MNB lender among all banks (local and

foreign) in Singapore.

Mr. Teo was let go by MNB in 1976, following representations made to the bank by the Singapore

According to sources, the Singapore authorities — through the Monetary Authority of Singapore (MAS), which operates like a cen-tral bank — did not like the pace of the bank's lending operations nor the fact that a large percentage of the loans were secured by real estate (some estimates say 85 percent). By the end of 1975, MNB money in the process. Profits had sunk to \$\$4 million (U.S.\$1.9 milin 1975 from S\$14.7 million (U.S.\$6.8 million) the year before. Last year they were down to S\$66,212 (U.S.\$30,796).

A deal apparently had been struck between MNB and MAS. but what the specifics of this deal are is not publicly known.

It seems clear, however, that as part of the deal MNB had to set up a provisional fund for bad debts and MNB was encouraged to slow down its lending operations, trim its portfolio of risky loans, and sell off properties taken by default. This is what MNB has been doing in a complete reversal of its earlier behavior, P. K. Teo was told to go on leave in January, 1976 (he was officially let go in February, 1977), and the Russian director of the bank, V. I. Ryzhkov, resigned and

As MNB forecloses on some of its more lackluster customers. MAS is bringing pressure on the bank to sell the properties. One such case was Consolidated Hotels in Singapore, which defaulted on a U.S.\$10 million loan from MNB. According to sources, MAS put on pressure, and the hotel group was sold by

MNB to the Overseas Chinese Banking Corp. (a Singapore bank). These sources say that MAS is still ing Chairman Leonid Brezhnev's Banking Corp. (a Singapore bank).
These sources say that MAS is still pressuring MNB to get rid of the Cockpit Hotel, which was taken over upon default of a loan of some S\$125 million (U.S.\$58 million). MAS is also closely watching the troubled Lucky Plaza (the premier shopping complex of Singapore) whose parent Far East Group is reportedly having difficulties repaying a \$\$250 million (U.S.\$116 million at 116 million at 11 lion) MNB loan. The head of the Far East Group, Ng Teng-fong, is also under investigation in Hong Kong where his Sino Realty is suspected of having used some of the

Russian Ships

Unlike Hong Kong, Singapore has not gone on an all-out MNB witch-hunt. Russians are welcomed in Singapore, and 40,000 Russian merchant seamen come ashore here merchant seamen come ashore here annually. Although trade between Singapore and the Soviet Union is negligible, an average of 60 Soviet ships per month visit this busy port for bunkering and provisioning. In addition, 25 ships each year are overhauled in Singapore shipyards. However, when the Russians recently saked for their own fuel cently asked for their own fuel dock, they were turned down by the Singapore government. The government here does not appear nervous over the presence of 50 Soviet officials, although they do keep an eye on developments.

The MNB branch in Singapore is one of only two branches (the other is in Beirut) outside of the London home office. Whereas the London office was set up in 1919, the Beirut office was not set up until 1966 (following Soviet forays into

1969 policy statement advocating a zone of collective security in Asia). Assets of the Singapore branch were S\$116 million (U.S.\$54 mil-

lion) at year-end 1971 and had risen to \$\$5.17 billion (U.S.\$2.4 bil-lion) by the end of last year, which accounted for the bulk of assets within the entire MNB system.
Outstanding loans stood at \$\$1.78
billion (U.S.\$828 million) at yearend 1977, down from \$\$1.95 billion
(U.S.\$907 million) the year before.
Singapore bankers believe that some \$\$600 million (U.S.\$279 million) in loans to Singapore bor-rowers will have to be written off as bad debts. They also believe that MNB has already picked up some one million square feet of Singapore real estate on default of some

of these loans. The figure on bad debts to Hong Kong borrowers would be some-what less, so the grand total in loan losses would be about U.S.\$500 million. Some sources believe that the figure could well be higher.

High Interest Loans

Singapore bankers point out that MNB enticed prime customers from other banks by offering cost-plus loans and that they funded risky customers with high-interest loans. Although the authorities have never divulged the interest charged by MNB, some sources offer figures between 12 and 16 per-

As MNB's problems became known, bankers here shied from granting fresh loans to the Singapore branch. A few banks still exone banker points out, only for three months at a time, and at very profitable interest rates. To make up for its lack of local deposits and lack of interbank borrowings. MNB has had to borrow funds (believed in the neighborhood of U.S.\$650 million) from the London home office, which funds it uses interest-free. Meanwhile, the home office increased capitalization from £8 million in 1974 to £40 million in

How MNB got into such a situation is a question that is open to debate. A Soviet journalist here stoutly denies that MNB was hatching a sinister plot by making shaky loans secured by real estate. and he puts the blame on P. K. Teo. Some bankers, on the other hand, believe that the Russians wanted to expand their influence quickly, and that P. K. Teo was the man to take them where they wanted to go. This line of reasoning continues that the ambitious lending program could have gone on had property values not plummeted in the 1974 recession and had the bank's heavy involvement with the overseas Chinese community not become so widely known and so quickly pounced upon by the governments concerned.

At any rate, the bears have now taken over the bank, both in financial and national terms. As one Singapore staffer at the bank put it: "Mr. Teo was not replaced by an-other manager. The Russians run the bank now." In the opinion of many, it will probably be a long time before MNB again tries to be the Santa Claus for Southeast

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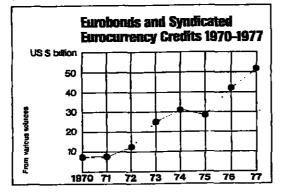
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DEPOSITS AND LIABILITIES Customer deposits Due to banks Others	1.321 168 174
LOANS Customers Due from banks at sight Others Compulsory reserves with Banca d'Italia	595 190 235 183
GOVERNMENT AND OTHER SECURITIES	480
CADITAL RESERVES	

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it. The team's clients now include Ghana and Sri Lanka as well as such other financially troubled countries as Turkey and Gabon.

Overkill

Three investment banks working jointly appears at first to be a form of overkill. But there are advantages besides the obvious one of havthree major financial markets most notably, the advice of three is hard to attack. The client governcan defend themselves against domestic critics by saying the advice they have received is the consensus of U.S., U.K. and French banking experts — that is, the best counsel available — and at the same time defuse any sentiment that experts of one nationality are exerting undue influence.

tected from backbiting by competi-tors, who would be less likely to you'll always have the two others criticize the collective opinion of three rivals than if only one bank had been engaged. In addition, the burden of supplying the expert manpower is divided among three institutions, and contacts can be more easily maintained with devel-opment-aid banks or lawyers or others in the three key financial centers of the world.

Another benefit to the partner banks is that they can rest assured that no one can dare try to score points off the others, although coleagues report that it took a while for them to learn to work together. "Each tried to impose its own views on the others. It was a bit chaotic in the beginning," as one of them

you'll always have the two others against you if you try.

But as an outsider "There's no advantage in outscoring on points because the fees are divided up equally."

Relaxed

Their relationship is sufficiently relaxed that the partners feel no need to all be present at the purely ceremonial functions, where showing face usually counts for a lot. ch to the surprise of commercial banks, for example, only Lazard Freres showed up at the signing in Paris when Gabon officially completed the arrangements for new oans of 370 million French francs

Now, one of the principals "It really wasn't necessary for remarks, "there's a group pressure the others to show up," one of the "It really wasn't necessary for

\$35,000,000,000 in assets tells you what kind of bank

sign of an absence of ferocious in- attract foreign investment ternecine warfare." The relationship is such that the

question of competition does not arise," one of the principals explains. "We three have no conflict of interest with any of the client governments; we are entirely on the side of the borrower and there

we're not competing for business."
One admiring professional who has seen how the team works observes that "they seem to undersided that units is strength. I've stand that unity is strength. I've never heard any sharp comments by one against the others. It's a smooth operation, like a wellgreased wheel and all the spokes re-alize they're in the same wheel."

So warm is the relationship that Warburg, approached by Sri Lanka to become its adviser, convinced that government to employ the tri-

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The partner banks are also pro- not to try to pull the blanket from participants comments, "but it is a universite to advise on how best to to go about tapping the international market. The three skirt the question of whether they would accept such business alone. "We are content to see it develop on this basis and prepared to go along," they

say.

The three refuse to talk in public about what they do and how they do it, citing "the highly privileged and confidential nature" of the work and their obligation not to discuss their clients' affairs without specific authorization to do so.

Selling a Service

Their basic approach is that they are selling "a service, not our time." As a result, the sharing of responsibilities is not always necessarily

Their criterion of satisfaction is that, "taking one six months with another, we all are left with the feeling that each one puts in an ap-propriate amount of work. If you're going to have time sheets, it's not going to work.
"The essential thing is that at

any moment we can produce an adequate team among us. It doesn't much matter whether its three representatives from one of us, two from another and one from the third, or whether one stays [in a client country] six weeks and another three weeks," one of the principals

Conflict of Interest

The service they offer is not in competition with the International Monetary Fund and the World Bank on the one hand or economic "think tanks" on the other, the senior principals stress. "We are at the service of the governments, advising them how to put into practical terms" the economic targets they have established or the IMF has

imposed, one of them explains.
"The IMF-World Bank," another says, "are intergovernmental in-stitutions with their own statutes, rules of procedure of which the client country is a member and therefore has certain rights and obligations regarding them. They will very often stand in a financial relation to the country concerned. We do not. We have deliberately said from the beginning that in all cases we ourselves would not participate in financings to avoid any possibility of conflict of interest arising. "Academic economists." he goes

on, "have a complete degree of in-dependence of the authorities. We, as practical bankers, however indedent, cannot detach ourselves from their problems. We live their problems as a doctor lives with his patient's problems."

But the telling point is that "academic economists cannot provide that link with the financial community which we can. We approach client country's difficulties from the point of view of what will the big money banks say, under what conditions will they be pre-pared to do a large syndicated credit, under what conditions could the country hope to go to the capital market . . and what sort of conditions private investors are looking.

Left out of this discussion is the advisory service that big commer cial banks are willing to offer. But as they are the ones who have put up the billions of dollars of loans syndicated in the Euromarket for LDCs, they are stained with the conflict of interest. Investment banks are essentially financial intermediaries, underwriting securities intending to place them with a investors, and they generally do not commit their resources to financing government loans or projects.

This is such a sensitive issue for the triumverate — who want to be seen as being 100 percent on the side of their national clients and not among their creditors - that the three banks did not participate as either co-managers or un-derwriters in the recent public 100 million Deutsche mark Eurobond issue for Indonesia. Normally, banks with close ties to a government play a prominent role in its

'Holier Than Thou'

Commercial bankers are wary about how the triumverate plays this "holier-than-thou" trump card. "I always felt there was a role to be played by the investment banks as advisers to governments," says a U.S. commercial banker based in London, "if they do it in an honorable way and don't just get the job by downgrading and bad-mouthing the commercial banks by saying, Look, you guys aren't going to get a square deal from the commercial banks because they're out to get the highest fees and the highest spreads

Banks who sell [their services] on that basis in the end are going to

end up without the deal," he says, because "then you have an adver-sary relationship with the lending banks" that uitimately will refuse

"We commercial bankers recognize it's a very difficult problem and that these countries need advice. Maybe they need to be told not to borrow at all - advice that is better given by an investment banker, who gets a fee whether the client borrows or not. If commercial bankers have a bias it's that a deal be done, money be borrowed. Investment bankers can tell them not to borrow until they get their domestic economy in better shape. That kind of advice is worth paying

Nonsense'

"But to hire an investment bank to handle commercial bankers and tell them that they made a mess [by their indiscriminate lending and that it's up to them to bail out the borrower is nonsense. If they do that, they get too much on the side of the borrower without giving ob-jective advice and they're going to be out of a job. No commercial bank will lend any money. We'll do it,' they'd say, 'but you've got to

get rid of these guys.' So far, commercial banks have little to complain about. In Indonesia, where the state-owned oil company Pertamina had run up debts of over \$10 billion, and in Gabon, where the government's debt totaled \$2.24 billion, the principal and interest on loans extended by banks were paid on time — there was no rescheduling of this debt. In the case of Indonesia, this was due to the willingness of the

lending banks to continue making A senior loan officer of a major. New York bank, who describes himself as "a booster" of the investment banks' advisory service, ex-plains that while "we might have different views, we can talk to each other on a rational basis. They understand our problems better than a borrower itself. They gave Indonesia good protection and also understood our problems and were sympathetic to them."

Put more bluntly by a U.K. banker, "Their first priority is to avoid alienating the [commercial] banks, whose support is needed for new financing."

Both countries went after the

governments owed suppliers contractors. In Indonesia example, some tanker cont worth \$1.55 billion were settled \$150 million, and in Gabon and than \$100 million, about 16 per cent, was cut off the bills of the tractors. In some cases, bills submitted for work never per formed, bankers report, or

charges for services performed

"Commercial debt," says a leading German banker who was in volved in Indonesia and Gabon a softer touch than bank Banks tend to present a more will lied front. Banks are also min needed for additional money.

The negotiations with the best in Gabon to finance the repayme of the accepted commercial the were apparently testier than the in Indonesia

"Some banks have had a feeling that the treatment of comments banking business by the advis-was a bit heavy-handed," says! French banker. "The advisers is that the commercial banks were: fault, responsible to a certain tent for inducing the government into accepting too heavy a band of foreign debt to finance superi ous or grandiose projects. the advisers said it was only in that the commercial banks foot if

"In the end, the [French] thei. ury twisted our arms became France is close to Gabon Werealized there was a political infe est in having the whole thing tied as quickly as possible and a shared the freezing of our [comm cial] loans. We just got stuck for few more years.

Two new loans were arrange French banks supplied 370 mile French francs for seven years one point over the prime rate gu anteed by Gabon and Frank Barique de Paris et des Pays-B along with Banque Nationale Paris had the biggest share of the loan - 70 million francs each \$80-million, seven-year loan was ranged by Citicorp, which put i \$23.5 million of the total. Parily and BNP each took \$7.85 mills of this loan. The interest rate is percent over the London interba offered rate (Libor) on two-this of the total and 24 over for f

Participants say there was "at (Continued on next page)



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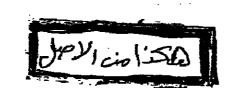
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In Index (Continued from preceding page) billion kere with over the advisers' insistence in the many were with the entire proceeds of the dolumination with the bill of the the advisers said the the bill of the bill wer time, to serve as a test of the hanker shiporrower's intentions to resolve its dancely hanker."

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"They visit us twice a year at the our arms highest level to make a full report of Gabon on the current situation," says a was a point rench banker. A West German the whole to banker notes that commercial to a possible on the Indonesian government these come of our lays are best advised to keep the loans were so make sure they are aware," he supplied Thays.

It is prime to make sure they are aware," he supplied Thays.

It is prime to AUK, banker recalls handling a recovery of the prime to the pr

I the prime a transaction: involving suppliers to cuthon and Indonesia "where to our knowledge Mis et des hibe advisers hadn't been involved. Banque Name They sort of suddenly made an apinchest shar pointment and presented us with than franc oprospectuses and so on which were even-vest kin of some interest, but really didn't the whatadd anything. They suggested that the total liney'd be at our disposal if we have it meeded them. But it wasn't clear The interest show their assistance would fit, esthe lander expecially as one of the providers of

l there on a finance was an Arab institution." and I'magic The advisers were also instrumental in renegotiating a \$500 miland on action The seven-year facility carrying in--terest of 1% percent over the Libor replaced a five-year loan negotiated in 1975 carrying a margin of 11/4 percent. As important as the lower spread or the lengthened maturity -a reflection of both the country's is and the n liquidity of the banks - were the eased technical terms in the new

> "The original agreement was a tough document," a banker said. "The default clauses were very tight. When it was drawn up, no one really knew what the situation was . . But it was such an airtight document that Indonesia was probably in technical default the day it was signed, although there was no way of knowing it then. It's better for both the borrower and the banks, given that things are going well in the country, to have a loan agreement which eases up and does away with the technical default."

The triumverate's stickiest assignment is no doubt in Turkey, which insists the three are not ad-visers but a "technical assistance"

The distinguishing element in the Turkish situation is that the debt held by banks is being rescheduled. The trumverate played no role in formulating what Turkey would do—the country in fact had no choice as it does not have the means to tepay the approximately \$6 billion of public-sector debt — but it has been advising on how best to do it.

"The problems of informs and Cabon approximation in the problems of informs and the problems of informs are proposed." Gabon appear insignificant compared to this situation," a U.S. banker says, and the triumverate has adopted a low-key posture be-cause of the impossibility of under-standing the parameters of this

"When you think about some of the implications of this refinancing, there's a helluva lot of conflicts of interest. From their view, they may have a name risk here as well, being associated with this transaction. A

that does to your reputation." The public-sector debt being res-

cheduled includes: Bankers' credits totaling \$426 to be repaid over seven years with three years' grace on repayment of principal. Turkey will pay interest of 1% percent over Libor.

Overdrafts totaling \$90 million, for which rescheduling details will not be made public.

 Third-party reimbursement claims (essentially banks that did not have direct correspondent relationships with the Turkish central bank but that paid letters of credit drawn on the bank and have not been repaid) totaling \$250 million to be repaid in three years, bearing interest of 1½ percent.

 Non-Turkish holdings of convertible Turkish lira deposits (CTLDs), totaling \$2.4 billion, to be repaid over seven years, with three years' grace on repayment of principal, with interest set at 1% percent over Libor.

The bankers' credits, overdrafts and many of the CTLDs are held by major international banks— "the big boys, who know what's going on," an observer remarked. The official interest on the CTLDs was 1% percent and the exchange rate was guaranteed by the central bank. A small part of the CTLDs were sold to investors (who were offered hefty front-end fees

\$4.4 billion refinancing doesn't come along normally in the market and you've got to be careful about what your advice means and what funds into their Turkish affiliates at. a time when it was impossible to-borrow domestically.

• In addition, \$904 million is owed to suppliers. The payment awaits the conversion of the Turkish lira deposited at the central bank by the Turkish importers into foreign currency. This figure does not include the \$700 million owed to suppliers and guaranteed by export credit agencies of foreign gov-ernments, which is being negotiated on a government-to-government basis and is being rescheduled over six years at varying rates of interest, according to currency.

At the same time, Turkey is asking banks to lend it another \$500 million. Significantly, this seven-year loan carrying interest of 1% percent over Libor is being syndi-cated internationally without a lead manager. While a group of major lenders such as Citibank, Morgan Guaranty Trust, Chase Manhattan, Dresdner Bank, Deutsche Bank, Union Bank of Switzerland and Barclays has said it will support the operation, none was willing to put its imprimatur on the operation. A lead manager puts its own reputa-tion on the line and risks being sued by other participating banks if

the loan goes sour. The loan is being organized by the central bank with the advice of its "technical" assistants. They re-

on the advice of some of the major lenders. Lazard Freres of New York has also joined the group un-der the wing of Lazard Paris rather than as a fourth member, a reflec-tion of their growing rapprochement after years of operating at arm's length — as well as the New York bank's eagerness to get into-what is a very profitable business. The contract with Indonesia —

an ongoing arrangement that is in-definitely open-ended — is reliably reported to be worth well in excess of \$2 million a year, and none of the others is said to be worth less

While Turkey has spelled out what it intends to do to improve its economic situation and repay its debts - "by making exporting more profitable than selling in the domestic market, requiring policy measures to insure that exports are both cost-competitive and price-competitive in world markets" — a commercial banker laments that "there's still no detailed plan on how they're going to achieve those

"They've made some progress (the 1978 trade deficit is expected to be halved from last year's \$3.4billion shortfall]. But the key ques-tion is the ability of the politicians to control the social and economic disequilibrium that the program suggests over the period of years that will be needed to transform

He says the best service the tri-

umverate can perform is to "get across the hard, unpleasant facts" to officials. "Communicating in Turkey is an awful problem in normal circumstances and it's more awful given the very, very difficult political situation. Some of the practical realities of the marketplace aren't always what you want to hear at a Cabinet meeting."
The most immediate problem.

however, is to get the country through the next scheduled IMF review. This was originally set for Nov. 26 but has been delayed by the Turks. The review is tied to the third scheduled drawdown of an IMP credit and is expected to be difficult as Turkey has failed to meet many of the key targets agreed upon with the IMF. Completion of the syndicated loan is tied to the IMF's approving the next drawdown of its loan.

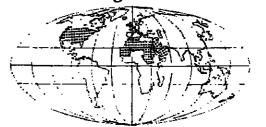
From the Turks' point of view, the technical assistance group will the central bank. "We educate the central bank. "We don't know the gimmicks of the markets, we don't know the mechanics. There are lots of things we can learn from these people, at least in terms of marketing, of loan documentation," says Yavuz Cane-vi of the central bank.

The International Monetary Fund does not have enough time or staff to spare on Turkey to help solve all its problems. We had to solve the problems ourselves. We admit we don't have the technical skill that we needed. That's why we

headlines whenever they succeed in

lending margins.

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Dollar Base No Longer a Great Advantage fault by weaker borrowers rather than the strong, who capture the

ONDON (IHT) — During international offshore market in much of the past year and par where banks lend and borrow from ticularly in recent months, margin cutting in the Eurocredit market has been led by Japanese, German and Middle Eastern banks. This suggests that a dollar base no longer gives U.S. banks a unique competitive advantage (if it ever did) despite the fact that most Eurocredits are provided, at least in the

first instance, in terms of dollars. The convention of quoting Eurocredit lending spreads as a margin above the six-month London interbank offered rate (Libor) for dollar deposits is well known as a convenient yardstick rather than a true reflection of the return to banks. Even within a lending syndicate, strong banks usually obtain interbank Eurodollars below the Libor deemed to apply to the group as a whole, while smaller banks are re-

quired to bid above the average.

Moreover, bidding for Eurodollar deposits in the interbank market is only one way by which banks finance their medium-term Eurocredit lending. The large interna-tional banks that dominate the publicized Eurocredit market obtain funds below Libor from official depositors in developing, partly industrialized and Communist countries, from corporations and from lesser banks outside the "inner ring" of the Eurodollar market. Besides that, they finance themselves by the issue of dollar certificates of deposit (CDs), in the United States and London, in the U.S. Federal funds market and by means of interest-free sight depo-

sits in the United States. It has often been supposed that established access to U.S. money markets and interest-free retail deposits gave U.S. banks a special advantage as Eurocredit lenders by allowing them to obtain funds at a lower average cost than foreign

This was always dubious, for two reasons. One is that interest-free deposits are not as cheap as they seem after taking into account the costs of running retail networks. The other is that banks are required to hold minimum reserves against their domestic dollar but not their Eurodollar deposit liabilities, so that the cost of the two is approxi-mately equalized. In any case, a growing number of Japanese and European banks has been acquiring access to a dollar base through branches, subsidiaries and the acquisition of banks in the United States. Differences between the ability of the world's largest banks to tap the onshore and offshore dollar markets have therefore been

each other at short term. Here, participants are graded by their general credit standing, and U.S. banks have never been able to obtain Eurodollar deposits in the interbank market at finer rates merely by the

fact of being U.S. banks.
In the Eurodollar as in other Eurocurrency markets, banks deal with each other through brokers. A broker, seeking funds on behalf of one bank from another, usually identifies his client only as a prime, first-class, good or lesser name.

The identity of the bank seeking funds is disclosed by the broker only after agreement has been reached in principle that funds will be offered, and at what terms. Thereafter, it is regarded as unethi-cal for the bank offering the funds to withdraw, unless it can cite some special reason, such as being already lent to its limits to the bank seeking money.

Equality of access to interband

Eurodollar deposits among banks of equal standing and growing pen-etration of the U.S. market by foreign banks have combined to wipe out most distinctions between major U.S. and other banks in the Eurocredits market. In those circumstances, it is not suprising that banks from the main surplus countries should now be leading competition, among Eurocredit lenders. The development merely reflects the role of the Eurocredit market as a channel for capital flows from countries in current surplus to those in current deficit, U.S. cur-rent deficits have immodated foreign banks in the leading surplus countries with dollar deposits from corporate and official depositors. Such banks have therefore been under the greatest pressure to push out funds in the Eurocredits market.

U.S. banks, on the other hand, taking advantage of a revival of do-mestic loan demand at attractive spreads, have been in a position to bid 'less aggressively' for new Eurocredits, in the polite phrase be-loved of bankers. And in this ability to switch flexibly between domestic and international dollar lending, U.S. banks do retain one important advantage over their foreign rivals, because they can still build up their lending in the U.S. market more quickly and extensive ly than their international rivals. The largest U.S. and international banks may now have approximate equality when it comes to obtaining dollar deposits, but the ability to lend dollars at home as well as abroad gives U.S. banks a distinct-

ly greater scope in their choice of narrowing.

A similar equality exists in the Whether Eurocredit lending mar-

gins are "too small" remains as controversial as ever, regardless of which banks take the lead in competition among lenders. Attention obtaining yet another reduction in is usually riveted on the lowest lending margins.

—M.S. M. spreads, which have fallen steadily from 14 percentage points immediately after the Bankhaus I.D. Herstatt scare of mid-1974 to 11/2 points. But the average of prime spreads as calculated by the Organ-

ization for Economic Cooperation and Development (OECD) has been creeping back up during the past 23 months from 95 basis points to more than 100 basis points; and the proportion of publicized Eurocredits carrying spreads of more than a full percentage point has risen from about a third to a half since the start of this year.

again according to the OECD. Those who worry that spreads have been excessively squeezed argue that unduly narrow lending margins do not make sufficient al-lowance for inflation-related inlife of a credit. And that, in turn, is said to limit the ability of banks to make adequate provision against bad and doubtful loans.

However, there are arguments on the other side as well. One of them, already alluded to, is that the average cost of funds to banks in the Eurocredits market is usually below the dollar Libor used as a yardstick, in some cases substantially below. The return to banks is therefore above quoted lending margins, especially when front-end fees are included.

Nevertheless, there is one sense in which such familiar arguments miss the main point. The traditional purpose of grading borrowers in bank lending of any kind is to ob-tain an additional return from weaker borrowers so that some of it can be set aside against possible loss. In that context, a margin of a half point to a strong borrower may be ample, while a margin four times as wide to a weaker borrower may not be. The real test is how much Eurobanks actually set aside for the contingency of defaults and especially against possible deFUJI INTERNATIONAL FINANCE LIMITED

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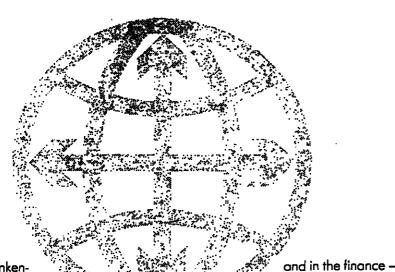
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Euromarkets_

Investment Banks Now Back in Management

(Continued from Page 7)
call the tune, and a "retail sector"
of smaller banks that take what participations they can get.

The result has been an extreme concentration of lending. Evidence suggests that in 1976 and 1977, 20

commercial banks arranged two-thirds of all publicized Eurocredits while providing about a third of the funds themselves (a comparable analysis of the present year is not yet possible). Such concentration in turn puts considerable pressure on leading banks to replace maturing credits and also to maintain their income by increasing the volume of their Eurocredit lending whenever margins are squeezed (as happened last year and this year). Intensive loan solicitation has therefore been a feature of the market for some years, and borrowers have been quick to take advantage of it.

However, the result has been to change the form of competition be-tween banks more than the degree, and the benefit to bornowers is not always as great as it might seem.

Instead of lending competition
being filtered through the
borrower's established merchant or European investment bankers as in the past, competitive approaches have increasingly been made direct-ly to borrowers. But although this throws competition among lenders into sharper relief, it does not necessarily mean a corresponding increase in the intensity of competi-

Many borrowers prefer the oldfashioned way of tapping the mar-ket through their merchant or European investment bankers for the sake of continuity — smaller bor-rowers often have little alternative. Hence the role that British and European investment banks continue to play, although few of them as visibly as Morgan Grenfell and the Banque Arabe et Internationale d'Investissement, which have re-mained along with the world's com-mercial banking giants among the top 20 Eurocredit banks.

Spotlight Outside the spotlight of the mar-ket in publicized Eurocredits, many more British merchant banks and their Continental equivalents remain highly active as managers of and participants in a considerable volume of Eurocredits that are not publicized (informally estimated by the Bank for International Settlements as equivalent to about 30 percent of publicized Eurocredits). It is true that many of these are smaller credits of \$5 million to \$25 million each, and the borrowers are not on the whole actively solicited by the giant Eurocredit banks. But that merely makes the business do go after it.

By contrast, with the sizable but largely unpublicized role that Britand Continental investment banks continue to play in the Euro-credits market, they and their U.S.

and Japanese counterparts have ei-ther recovered or have come to play a highly publicized and much en-larged role in the Eurobond market during the past two years. Here again, changes among banking par-ticipants can be traced to fundamental market changes over the

Since its beginnings, the Eurobond market has gone through three distinct phases. During most of the 1960s the market was dominated by U.S. investment banks (which were then bringing to market U.S. corporations that our of ket U.S. corporations shut out of New York by Washington's capital export controls) and by British merchant banks. As the market grew, the power to place new bonds with large numbers of retail inves-tors began to outweigh connections with borrowers; and Swiss banks. with their unique retail placing power, came to dominate new issuing business, along with German, Dutch, French and Belgian banks.

years the market has entered a

third phase, with institutional investors playing a growing part. The power to place large blocks of stock with institutions has therefore become as valuable as large retail placing power, and that has al-lowed a growing number of invest-ment banks to clamber back into the top management and co-man-

Moreover, institutional investors, which usually trade more actively than individuals, have almost cer-tainly contributed to a rapid increase in secondary market turnover — up to a monthly average of almost \$10 billion this year from less than \$6 billion in 1976 — on the combined clearings of Euro-clear and Cedel. That, in turn, has worked in favor of investment banks and securities firms, which have the resources and, equally important, the expertise to make

agement league.

The change has been startling. Eight investment banks and securities firms were among the top 20

the first nine months of this year as against half that number in 1977. Those in the latest league table include Morgan Stanley, Merrill Lynch, Salomon Brothers, S.G. Warburg, Lehman Brothers Kuhn Loeb, Hambros, Goldman Sachs and Nomura Europe. Meanwhile, the top 25 lead-managers this year also included Dillon Read, Kidder Peabody and Dean Witter Reynolds.

Secondary marketmakers cannot be similarly ranked, but those which feature among the most active in the market's own informal tive in the market's own informatists include Kidder Peabody, Merrill Lynch, Morgan Stanley, Salomon Brothers, Wood Gundy, Strauss, Turnbull and Samuel Montagu, the last two specializing exclusively in the secondary mar-

In the Eurobond market, differ-. ent investment banks are noted for distinctive specialities and techniques. Salomon Brothers, for

the secondary market as step, reasoning, correctly, a reputation for efficient marking would lead to co-many invitations and ultimately as a secondary as a invitations and ultimately in management positions. Stanley, on the other in known for its strong committee the particularly prominent as manager. Similarly, this is manager. Similarly, this is manager. Similarly, this is manager. Similarly, this is that has held its place at the the Eurobond itsuing it through all of the changer than any rival. This is becompetitors generously as the competitors generously as the competitors generously as the changer than any rival. This is become competitors generously act edge, it has maintained con-in its top-level corporate hint staff and is backed up by a presence" in the secondary my

In both the main sectors of international capital market classic competition between mercial and investment bank tinues. It is often characteriz battle between brawn and

EEC Candidacy: Not a Big Factor in Cred

By Darrell Delamaide

BRUSSELS (IHT) — Greece, Portugal and Spain are all candidates for membership in the European Economic Community; Turkey has postponed for five more years a decision on whether to seek full EEC membership and is renegotiating its association agreement with the community. The processs of joining the EEC influences economic, monetary and trade policies of these countries, and is therefore a factor in their evaluation for

But bankers are hard put to pinpoint just when or how EEC affiliation affects credit judgment. The three candidates are customers in the Euromarkets much like any other. Turkey, for all its European aspirations, is a difficult problem case, like Zambia, Jamaica and Peru. In the opinion of many bank-ers, EEC affiliation does not provide a credit umbrella for the candidates. Rather, it seems that the same economic, political and stra-tegic considerations that make it advisable, or even imperative, for these countries to be integrated in the EEC make it a safe risk to lend

Turkey's eventual accession to the EEC has "low present value," as a criterion for credit worthiness, quipped one banker.

A latest package of measures in the financial rehabilitation of Turand set the stage for the still daunting task of meeting the country's external financing needs. But the International Monetary Fund and the Organization for Economic Cooperation and Development seem

to have been more decisive in the support operations than the EEC. The Turkish central bank and Finance Ministry sent a telex in October inviting 200 foreign banks to take part in a restructuring of about \$2.1 billion worth of convert-

ible Turkish lira deposits (CTLDs). The CTLDs, with maturities of anywhere from six months to four years, are to be rescheduled for a seven-year maturity, including three years of grace. While the technical negotiations are complex and could last as long as three months, virtually all of the banks are expected to go along with the sugges-tion because the Turkish central bank, which exchanged the foreign fund for Turkish lira, does not have the foreign exchange to reconvert as the deposits fall due.

In addition, the banks are negotiating a restructuring of about \$500 million in term loans, again on a new seven-year basis. Finally, a Euroloan of \$400-500 million was being put together to finance high-priority imports. The loan is hardly a prize being bid for by competing consortia, but is nonetheless likely to be syndicated among the major U.S. and European banks. The headaches from the months-long prelude to this package, hampered by administrative confusion and, at times, intransigence in Turkey, do

not provide much encouragement. Deutsche Bank Chief Executive press conference in October that the Turkish negotiations "have advanced at a slovenly pace; it is a thoroughly toilsome labor." Of course, the banks are not

alone in this labor. The Turkish government is working on several fronts to restore its international payment mechanism. The govern-ment has been busy rescheduling trade debts on a bilateral basis since a framework agreement reached with the OECD last May. New OECD meetings this month were designed to consolidate this agreement and discuss further credit and standby facilities. Turkey negotiated a two-year standby fa-cility for 300 million special draw-ing rights (SDRs) — \$360 million from the International Monetary Fund in April, as well as nearly 75 million SDRs (\$90 million) in compensatory financing.

Not to be held down, Turkey told EEC authorities here in Octo-ber that an ambitious \$64 billion five-year economic development plan presupposes \$15 billion in ex-ternal financing, \$8 billion of which, according to the Turks.

should come from EEC sources. Bankers, of course, will be part of the international finance mobil-ized for this plan, along with World Bank, European Investment Bank, EEC. IMF and bilateral aid. "Most countries of the world require external financing. Turkey will only be normal in this regard, if especially needy — once the current debt is restructured," commented a

German banker. For the bankers, however, the ing factor in going along with Turkey. The government's willingness to adopt politically difficult measures, like boosting gasoline prices, encouraged the banking community. Much attention is being focused

month.
Most bankers rank the three didates with Spain at the top Portugal at the bottom, the quick to add that they are hard do any reasonable business reward compensates risk. Poe is used as an example. The

economic adjustments resilifrom political turmoil and switch from a colonial econ strained Portugal's foreign ments positons and led to a ! 1977, agreement within the Orgito provide \$750 million in co and aid to the country. One of the credits in this ment was a 420 million Did

year loan syndicated last among German banks led by deutsche Landesbank and C merzbank. The credit was 95 cent guaranteed by the West man federal government as per its contribution to the Port package. In the same mo though, the same two lead m gers syndicated a \$150 million en-year multi-currency loan to tugal through an international sortium - without any third-p

guarantees. "The loan ran astounds well," commented Axel Kollar, ecutive vice president of West "It helped Portugal find a stark in the market." In August, the six-bank international manager group syndicated another seveat loan for Portuga amount of \$300 million.

In the midst of everything, tugal is trying to reduce its cum account deficit from last year's! billion, but progress will be a

Greece, which has maintained expansionary policy at the expt of continued high inflation (percent at mid-year), is likely record a current-account defici \$1.75 billion this year, against \$1 billion last year, according to OECD country survey published July. Still, bankers give Gre good marks for seeking to diver exports and have been ready the cash. The Bank of Gre received a \$300 million 10-year roloan in June, partly to refins outstanding credits. In August, Greek Public Power Corp. obtain \$80 million; taking advantage low spreads, the Greek against a roll; margin of 5/k. received a split margin of 5/8on the 10-year credit.

The problems of Spain are of altogether different order. It is

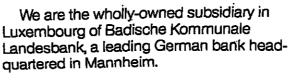
ready access to international or tal markets as well as Eurocro markets. While not exactly healt economically, Spain is much me advanced than the other two came dates and ranks 10th among world's industrial nations. has recorded surprising success cutting last year's current-accordation and is like to register a deficit well under billion this year. Meanwhile, is eign exchange inflows have been strong this year that reserves he swelled to \$10 billion and excess money supply growth has ends gered the fight against inflate And so Spain has been trying trim its ambitious foreign bot ing program, originally billion for 1978.

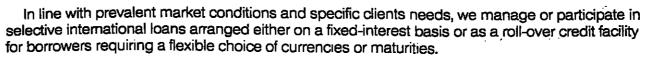
While candidacy for EEC me bership may not play an overly in portant role in a country's co standing bankers involved in a Euromarket clearly consider Euromarket clearly consider Euromarket believes, rightly, that a EEC would not let one of its particular go bankrupt," remarked, volumers go bankrupt, "remarked, volumers go bankrupt," remarked, volumers go bankrupt, "remarket between go bankrupt," remarket between go bankrupt, "remarket between go bankrupt, "remarket between go bankrupt," remarket between go bankrupt, "remarket believes, rightly, that is go bankrupt, "remarket believes, rightly, that is go bankrupt," remarket believes, rightly, that is go bankrupt, "remarket believes, rightly, that is go bankrupt," remarket believes, rightly, that is go bankrupt, "remarket believes, rightly, that is go bankrupt," remarket believes, rightly, that is go bankrupt, "remarket believes, rightly, that is go bankrupt," remarket believes, rightly, that is go bankrupt, "remarket believes, rightly, that is go bankrupt," remarket believes, rightly, that is go bankrupt, "remarket believes, rightly, that is go bankrupt," remarket believes, rightly, right er Burghagen, managing director Dresdner Bank's Luxembourg at sidiary, in a typical comment. usually is the example cited. rescue package for Italy consists not only of \$1.5 billion through the specially created EEC loan facility but bilateral support from EE partners—notably, the 2 billion DM credit from West Germany Const. Great Britain and Denmark are said to have benefited from their EEC affiliation when it can to raising credits. But then, nobely denies that Italy, Great Britsin and Denmark probably would be been bailed out even if they were not EEC. not EEC members — or even in there was no EEC. The integration provided by the community, how ever, makes the economic interes pendence deeper and facilita

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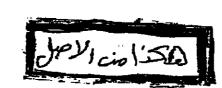
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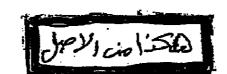
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Euromarkets

Top Bank Wants to Make a Name in U.S.

ident marks a FRANKFURT (IHT) —
The efficient is in the United States is to carve out
the control to the control of domestic banking and tor efficient in the United States is to carve out lead to come in the United States is to carve out and ultimate underwriting business commenture the under with its standing as one of the under the world's five largest banks.

Wilfried Guth, one of the bank's work and a two chief executives, explained his premiment in the world's five largest banks.

pronuncia institution's multipronged attack

hurg a not the large American customcial its place at a The priority for our New York
whend is the class ers, both large and medium-sized
ers, both large and medium-sized
or generous a corporations. Mr. Guth said of
Deutsche's commercial banking
maintained soals. "Our investment banking to in the Accordance manager for Yankee bonds, the isthe main such that the main such id ill'action bear We'll also be pursuing like acquisioften charge nons."

n .. cii bidni fi These goals of Germany's largest bank do not differ markedly from those of its main German competitors or other large foreign banks. What is different is the lateness with which Deutsche Bank moved into the U.S. market and the enthusiasm and diversity of its activity in

making up for this tardiness. Keeping with its long-standing commitment for consortium banking, Deutsche Bank contented itself th Spain at the until this year with its share of 20.1 it the bourge percent in European-American Bank, which, since its takeover of d that they are Franklin National, has had a significant part of the New York market an example in corporate and retail banking. Adjustments Nowadays, however, the talk is of a two-pronged strategy — consortium a colonia; two-pronged strategy — consortium banks and branches flying their own flags — and New York is at the top of the list.

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Underwriting Firms

Also this year, Deutsche Bank bought out Union Bank of Switzerland's 50 percent share in UBS-DB state bankski. Corp., an investment banking firm. attleshmi. The company was renamed Atlan-the arding tic Capital Corp., and Deutsche Bank became the only big German bank with a wholly owned un-derwriting unit in the United States. (Commerzbank holds 40 percent in Europartners Securities Corp., Dresdner Bank 25 percent in ABD Securities Corp., and West-deutsche Landesbank has no underwriting firm in New York.)

"We're still in the process of gaining identification for the new name." Mr. Guth said of Atlantic.

Noting the September move by prematurely to the press this summer. Mr. Guth said of Atlantic.

Siemens to tap the U.S. commercial mer, are nowhere near completion,

The biggest headline-grabber for Deutsche Bank in the United States – the proposed purchase of one of the World Trade Center towers — is subordinate activity of bank. . .

paper market, the German banker added that Atlantic "would love"

to get into that business but would

be held back for the time by lack of

domestic placing power.
Because of the Glass-Steagall

Act separating commercial and in-vestment banking functions in the

United States, the new branch has

nothing to do with Atlantic. Here, according to Mr. Guth, the bank expects to gain a sizable U.S. cus-

tomer base, while servicing prime

German customers in the United

the common foreign-bank strong

points — foreign exchange expertise, international connections

and credits oriented to money-mar-

ket conditions (and aided for the time by freedom from minimum re-

serve requirements) — as well as the sheer muscle of a bank ranked

fourth in the world in size (after

Bank of America, Citibank and Caisse Nationale de Credit Agri-

cole of France) - the largest in a

The branch also will try to win

the World Trade Center Towers -

is a subordinate activity of the

bank in the United States. The ne-

gotiations for the property, leaked

hard-currency country.

Competitive advantages here are

States.

Regarding the choice of the name, Mr. Guth said preferable names, like German-American, were already taken. Atlantic had nice connotations of overseas cooperation,

Other German bankers note cynically that the alphabet seemed to be the decisive factor because placement on tombstones is an important prestige item. But one com-petitor added, with unconcealed glee, that the name was a bit too prominent for some U.S. managers and had kept Atlantic out of some management consortia.

In Full Swing

Mr. Guth acknowledged that the underwriting unit could never hope to match the domestic giants in U.S. placing power, but maintained that Atlantic Capital intended to become a first-rank co-manager for the Yankee issues, while expanding its role as a domestic underwriter. The big job, he said, is to work with the parent bank in expanding domestic placing power in the U.S. market, both for U.S. issues underwritten by Atlantic as well as the international bonds offered by

Meanwhile, Mr. Guth said, Atlantic is deriving nice profits from other areas of corporate finance, like "fees for arranging things." At-lantic is working with U.S. investment houses to bring together German firms with promising candidates for acquisition — boom business in times when every week brings another announcement of a German takeover in the United

The biggest headline-grabber for Deutsche Bank in the United States — the proposed purchase of one of

This well-publicized trend, far from tapering off, says Mr. Guth, is "still in full swing." snys Mr. Guth. He gives final agreement a 50-50 chance. The one and only basis for a decision is whether the property will be able to provide a satisfactory yield to pri-vate German investors who will be offered certificates in a closed-end real estate fund. The trade center deal would be modeled on previous participation in Pennzoil Place and Shell Plaza in Houston, which were extremely popular among German investors

Several Fronts

The burst of U.S. activity is part of a drive on several fronts to consolidate and expand the bank's international activity while increasing

overall group identification.

The decision three years ago to move away from complete reliance on joint subsidiaries of the European Banking Co. consortium led to the establishment in 1976 of a branch in London. In 1977 Deutsche Bank transformed th Tokyo branch of its Deutsche Ueberseeische Bank subsidiary into a branch of the parent bank, set up a new branch in Paris and open representative offices in Milan and Osaka. So far this year, it has completed the merger of the Ueberseeische unit into the parent bank, giving it new parent-bank branche

n Buenos Aires, Sao Paulo and Asuncion. Besides the New York branch, it opened last month new branches in Brussels and Antwerp. In April, a representative office was opened in Lagos, and in September, a banking subsidiary in Singapore, Deutsche Bank (Asia Credit) Ltd., started doing business. It will be among the first foreign banks to establish a branch in Madrid under terms of the new law passed this

Two other cosmetic changes sig-American corporate borrowers for nal the bank's intention to promote Euromarket issues, capitalizing on Deutsche Bank's position as a Eustronger identification with a single image. The Berlin subsidiary (the Big Three are not allowed to have European-American, comments branches in West Berlin) had its Mr. Guth, will continue its indename changed from Berliner pendent activity, with Deutsche Bank's voice, as before, determined Disconto Bank, an historic name predating Deutsche's own, to by its one-fifth capital participa-tion. "Nothing is changed there," Deutsche Bank Berlin.

In October, the bank quietly announced that its Luxembourg unit, Cie. Financiere de la Deutsche Bank AG (CFDB), would be known henceforth as Deutsche Bank-Cie. Financiere de Luxembourg, Deutsche Bank Luxem-bourg, for short — another change that apparently had tombstones in

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IMF's Clout and Influence Are Growing Daily

efit private banks than the borrowing country. Although the IMF money ostensibly is for govern-ment-to-government balance of payments transactions, once the cush is in a country's hands the treasury can use it to pay off loans to banks if need be. And the IMF's imprimatur essentially guarantees banks that the loans will be safe.

 A good many onlookers bridle at the notion that IMF field representatives, who usually are economists and not elected officials, in effect have the power to "dictate" domestic economic poli-cies even if the government is reluc-

tant to adopt them.

The fund's increased clout is a relatively recent phenomenon. Only a few years ago, the IMF's attempts to give countries economic advice were treated as little more than a gentleman's game. Fund field representatives held annual "consultations" with all member governments, but their urgings were taken with a grain of salt particularly if the government disagreed.

A Power

But with the dramatic changes in the world economic situation during the last few years, the fund has become a power to be reckoned with. "These days," says one inter-national economist, "when the IMF talks, more and more countries are listening." And so are private banks and other international lending institutions.

The IMF's heightened influence stems basically from two develop-

First, the sharp rise in oil prices since 1973 has thrown more countries into deficit and has made them dependent on IMF loans to help stave off bankruptcy. Since private banks rely heavily on IMF judgments in their own lending policies, the fund's assessments carry extra weight, as a sort of seal of approval for other lenders. Second, the recent overhaul of

the international monetary system has given the fund formal authority to exercise "surveillance" over problem countries that have severe payments imbalances. While no one yet knows precisely how much power this entails, the charter revisions have given the IMF's recommendations increased status.

The fund's say in the domestic economic policies of individual raise interest rates and pare spend-countries stems primarily from the ing. Jamaica received \$244 million

power of its own purse strings — after undergoing devaluation specifically, the conditions it sets for making loans to countries that — after undergoing devaluation and promising to slow wages.

Moreover, the IMF continues to for making loans to countries that are in difficulty over exceptionally large balance of payments deficits.

fund members that have lent monfund's sister organization, deals with helping the "have-nots" by of-fering grants or low-interest development loans.)

If a nation gets into balance of payments difficulty, the fund steps in, often as lender of the last resort. with an offer to help bail out the government by providing a sizable line of credit. But the credit hinges on the condition that the country adopt stringent fiscal and monetary policies designed to eliminate its

Too Late

The more a country wants to borrow, the stiffer the terms the IMF sets. The difficulty is that the fund too often is not called in until the borrowing nation finds it no longer can obtain loans from private banks. By that time it is often too late for anything but severe belt-tightening if the payments problem is to be erased.

Under the basic IMF loan system, nations may borrow up to 100 percent of the "quota," or member-ship fee in the fund. There are four separate lending categories, or "tranches," each with a progressively tougher set of strings attached. There also are special longer-term lending pools from which members can borrow additional amounts.

It is the ability to set conditions for making loans that gives the country does find itself too weak fund most of its clout. The organization's charter is vague enough in its wording that officials are free to establish whatever terms they think are needed. Talks between the government and fund representatives ficial puts it, "The problem isn't the often last for weeks. At the end, everything must be approved by the IMF executive board.

The results often are striking. In Zambia's case, for example, the for these countries to make their government won a credit line of adjustments — even with the some-\$305 million, but it had to devalue times harsh medicine." its currency by 20 percent and slash spending. Britain won authority to borrow up to \$4 billion but had to

influence national policies even afrge balance of payments deficits. ter a loan is granted, because the The IMF's role in the world economic system essentially is that of a and requires the government to policeman for the "haves" - the pass successive economic "performance tests" to win renewal. So.

ey to financially troubled nations. Jamaica this year had to renegotiand, indirectly, the large multinate a new domestic economic protional banks. (The World Bank, the gram after its 1977 efforts failed to meet the fund's criteria. Is the IMF's medicine too harsh?

Fair Enough

The answer is not always clear. Fund officials argue that their conditions are fair enough: Were it not for the IMF's underwriting, the borrowing nation would go ban-krupt, and would have to take even harsher austerity steps than those the fund prescribes. Like a benevo-ient banker, they say, the fund aims to restore gradually the economic health of a deficit country.

Paul A. Volcker, former U.S. undersecretary of the Treasury for monetary affairs and now president of the New York Federal Reserve Bank, says the fund's analysts usually are right on target. "You can pick your individual instances where in hindsight there's been some problem. Mr. Volcker says. "but by and large the fund people do their jobs pretty well."

But Robert Solomon, a former Federal Reserve Board monetary adviser who now is at the Brookings Institution, says there is little question that in some cases the cutbacks have come more rapidly than the borrowing nation realistically can digest. The rioting in Peru, for example, was widely viewed as a justified reaction to what many rceived as an IMF overdose.

And in many cases, the receiving production

Nevertheless, there seems to be agreement that the IMF's demands are rarely ill-founded. As a U.S. oftries are in a bind and need to take drastic steps to get out. The fact is that the IMF makes it less painful

There is also little argument that borrowing countries usually do not get enough concessionary help them cope with the fund's austerity measures. In the case of Jamaica, the island got only a token loan from the World Bank, and a promised package of bilateral grants from a consortium of industrial countries has been slow in

The same sort of disparity suraunds the debate over the role of (2X-nav

collusion or plot between the two. The banks come out ahead in private loan guarantees, too," one onlooker says. "That's the way it of a lot of clout."

Finally, there is the question of how much the fund "dictates" the domestic economic policies that borrowing nations must follow. IMF officials flatly deny they dietate policy. In the first place, the terms the field representatives set almost always are worded in the euemisms of international economics. unlikely to offend any govern-

"We never ask a country to devalue its currency," an insider says. We just agree on limits for net foreign assets of its central bank."

Second, fund negotiators almost always suggest several options for governments on each major issue. In Zambia, for example, IMF representatives suggested five or six different approaches for achieving each economic goal, and Zambian officials chose among them.

There has been criticism that the IMF's judgments are made by staff members, not political officials meaning that a nation's policies in effect are determined by sometimes youthful economists who never have been elected to office. In essence, that criticism is accurate. But often the IMF staff members are experienced. And their work always is reviewed by fund officials.

In the case of the Zambian negotiations, the four members of the fund field team were economists: A 40-year-old Italian, who has spent his career with the IMF and other international economic institutions; a 33-year-old Japanese econ-omist; a 30-year-old Finn, and a 29-year-old London School of Economics graduate who has been with the IMF seven years.

An official from a developing country who was recently involved in negotiations with the IMF has mixed views on the issue. "It's just

astonishing," he muses, "how much approach, only a few extremists have charged there is some sort of has. You're really dealing with a high-class bunch of people here. and on balance I'd have to say they were fair. But the staff has one hell

But a colleague leaves no doubt who called the tune during the talks. The IMF field representatives "were very polite and smiled a lot," he says. "But in the end, the bottom fine was either we do it or we don't get the loan."

Fund officials deny that the agency is more stringent with de-veloping countries than with industrial nations, citing recent demands they made on Britain and Italy. "It's fairly obvious we're not going to push big or small countries if they don't want to be pushed." one fund source concedes. "The difficulty is, the smaller countries are in financial trouble more often."

Nevertheless, as holder of the purse strings, the fund can get tough when it wants to. In ongoing negotiations with Zaire, the beleaguered government has already agreed to give the IMF extensive influence over the country's eco-nomic policies as part of a \$1 bil-lion plan to bolster its shaky regime. There even will be an IMF "technical adviser" in the Zairean central bank.

The difficulty is, that apart from the IMF, there is nowhere else for a deficit-ridden country to go. While the private-consortium approach seem attractive to some leaders, those whose nations have had to accede to IMF demands say that when a country is about to go bellyup, the fund is the only answer.

The question is, how much is the fund's insistence an unwarranted intrusion on national sovereignty. and how much is it a blessing for domestic leaders who are looking for a prop to help carry out neces-sary cutbacks?

While some countries go kicking and screaming to the IMF's barcome the fund's toughness as a cover for imposing needed cutbacks that they know will be unpopular

In still other cases, the govern ment sometimes turns out to be too weak or ill-equipped to carry age cutback programs on its own less Peru, for example, outside observe ers say it is unlikely that the resine. would have been able to slash pro-grams without fund intervention.

And onlookers say Zairean officials were not technically able to dendaring

op their own programs. At least some of the criticism of the way the fund treats developing countries may be reduced as a in sult of a new approach to Ber lending that involves longer-ena-loans. Until recently, the primary form of IMF lending was to extend credit to a country for a year at 7 time. If the government did not perform as expected, the line of credit simply was canceled.

Under the new system, however the fund works out a longer-tens plan with borrowing nations de signed to spread the medicine over where one of the first of these long term loans recently went into effect; policymakers view the new procedure as "a better tool" for the

IMF to use.
And Jamaican Prime Minister Michael Manley has suggested that the fund give representatives of developing countries more "inpu into the organization's lending decisions, to rid the IMF of some of what he calls its industrialtion outlook on life and make more sensitive to the capabilities smaller countries.

Mr. Manley also wants the IME and World Bank to make available more soft loans, under condition that take account of the fragility small, import-dependent econ

In any case, there seems to be no juestion that the once-toothies IMF finally has acquired some bite. To the officials in the Zambian cent tral bank — and to others in governments throughout the industrial and developing world — the fund a now a force to be reckoned with.

Offshore Banking in New York?

By Stan Strachan

NEW YORK (IHT) — Within the next few weeks, the Federal Reserve Board will decide whether to approve regulations under which a new free-trade banking zone will operate out of New York.

This city already is the focus for most of the international financial business carried out in the United States, and bankers have persuaded the state legislature to approve the the banks. While it is true that the would help bring back business moved from the control of its arge multinational banks are the that now gets done in offshore cen- monetary policies.

ters such as the Bahamas and the Cayman Islands in order to avoid New York state and city taxes.

The Fed has voiced concern over whether to allow an international banking center within the head offices of the giant New York banks. It fears that business currently done "domestically" will move into the international operations.

In addition to the taxation problem this would create, the Fed is worried that a larger proportion of Lineat it U.a⊃. Da

These free-trade-zone subsidis ies could conceivably offer depositives, for example, that would ex ceed domestic levels and thereby attract funds for which there would be no obligatory reserve require

If efforts were made to shift deposits of essentially domestic companies into these affiliates through the overseas subsidiaries of the depositors — it would also leave the Fed less able to control owth in the U.S. money supply

Much Difference?

Would the new trade zone — assuming it gets off the ground — make much difference in the international banking community?

Undoubtedly, a larger portion of U.S. banks' international lending would be done at their main offices. In addition, a greater number of regional U.S. banks would be likely to join the market. But the new competitive strength of the New York market would not be likely to result in much, if any, decline in the level of business done by U.S. banks and U.S. borrowers in the major cities of Europe.

The banks are not looking to transfer business back home that is being done in Europe. The business that is likely to be done under the new law is lending that has been booked out of the Bahamas or the Cayman Islands for the purpose of escaping state-tax jurisdiction.

The New York banks have lined up solidly behind the plan, and they have worked through their clearing house to get it through the legislature.

John Lee, executive vice president of the clearing house, has said the free trade zone will produce thousands of new jobs in the state Others here are not quite so opi-mistic, but there is cause for believing that it could mean a shot in the arm for the depressed city economy

Mr. Lee thinks only "inertia" at the Fed is likely to produce a negrtive ruling.

Concern

However, there is concern over the monetary policy slippage ques-tion and it remains to be seen if the major policy paper drawn up by the 11 clearing house banks' econo-mists have answered all of the Fed's quastions. Fed's questions.

The questions to be answered, says Fed Governor Henry Wallich, concern what kind of transactions will occur. "If a U.S. company had cash balances in this facility not subject to reserve requirements but for all intents and purposes part of the money supply, do we still count this in the money supply?" he asks. "Do we still have control over the money supply? Would there be a money supply? Would there be a tendency to cause funds to move abroad because once in this facility they can only be lent abroad?"

If the ruling from Washington does permit the new trade zone to Operate comfortable that 1970 and

operate comfortably, then 1979 and 1980 should see the entry into the New York market of those major European banks that do not already have outlets in the city and the further growth of affiliates from banks in other U.S. cities that will switch Bahamian or Cayman operations to New York.

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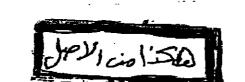
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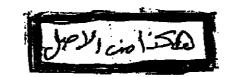
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Euromarkets

light Shed on Complex Creation of Financial Group

By Alex Brummer

The ONDON (IHT) — With few Turne and exceptions European in the exceptions on the powerful connections on the property powerful connections on the powerful connections on the property powerful connections of the property powerful connections on the property powerful connections of the property powerful connections of the property powerful connections on the property powerful connections of the property powerful connections on the property powerful connections of the property powerful connections afficiently that the side of the August and acceptable that the set to the world's biggest corporate than the set of the world's biggest corporate than the set of th microlly infinite U.S. investment nouses nave microlly able to myided access to the fastest grow-life of the myided access to the fastest grow-life of the theorem in mind, considerable and treat. and treats depth is shed on the complex series be reduced from an approach to the reaction of Credit Suisse

anytherach by the creation of Credit Suisse involves long inst Boston in July.

Second the long inst to Credit Suisse at Bishopsgate in the long in the City of London, conveys the Spectral the leding that this muscular financial second the leding that this muscular financial four second the rise its fresh connections in the media gains and all some of successions in large the media gain pushing ahead its powerful the media osition as a European investment the first of the media osition.

But what is obvious now was no " a sore than speculation and controthere hersy when chunks of shares first the little parted to change hands in the

pring of this year.

Pring & It all began at 11 a.m. in Zurich
Pring & It all began at 11 a.m. in Zurich
Pring Pring April 4, 1978, when the tele-The more nam of Credit Suisse. His caller The attention New York was a senior execuin the IMF give at the best known of U.S. in the and estment houses, Merrill Lynch. He the and estment houses, Merrill Lynch. He the and estanted to talk about the 31-percent the apply take in Credit Suisse White Weld CSWW) owned by that other New was brock investment house, White

ark in make a Veld Inc. The potential link had many observed the lightness advantages. Credit Suisse dependent white Weld, just eight years old, vas the precocious investment there seems panking arm of Credit Suisse. It the contracted grown with such gusto that : il. / nur secome the lead manager in the luat to all rative and fast growing Eurobond them: the regnarket. But the very success of ... 10 - the SWW meant that Credit Suisse roblems at Chiasso — would be eluctant to give up part of its pride

Or and joy very easily.

Merrill Lynch's international international internations were ased in London, and during its in the Euromarkets it with an and begun to become a force in 1. I at ommercial banking. A link with in a redit Suisse via the 31-percent and a firm base.

difference.

Ten days after the initial contact with Credit Suisse, on April 14. Merrill Lynch announced to a surprised U.S. securities industry that it was buying the 83-year-old private banking house of White Weld. But before the deal could be announced, an understanding on the future of CSWW had to be reached. The head men at CSWW Chairman John Cattier and Chief Executive John Craven clearly had their reservations about Merrill Lynch as a partner, but they knew that through their own 30-percent shareholding in White Weld Inc. they could stunt Merrill Lynch's ambitions for the New York end of the merger.

The compromise reached was that Credit Suisse, already the owners of 40 percent of CSWW's equity, would take an option to acquire the 31 percent controlled by White Weld Inc. In addition, Merrill Lynch would use the name of White Weld only in North America. It seems that having gotten rid of the barriers to the public unveiling of the merger, Merrill Lynch still had hopes of persuading Credit Suisse and CSWW that they could successfully come together in

But in ensuing discussions it rapidly became apparant that Merrill Lynch would find it hard to make the sought-after agreement. At the same time Merrill Lynch was having difficulties with the New York end of the deal. For one, the Wall Street Journal disclosed that White Weld, far from being the profitable house it was thought to be, was going through something of an earnings crisis and had in fact lost \$2.1 million in the nine months to March 31, 1978. Meanwhile, the U.S. Justice Department decided it might be worth looking at the pro-posed merger for possible antitrust violations. Against such a back-ground Merrill Lynch's negotiating skills were weakened. In any event, the deadline for the Credit Suisse option was reached without any new agreement.

Credit Suisse exercised and instantly became the owner of 71 percent of CSWW. However, CSWW although \$15 million better off through its own White Weld stock sale — was without a U.S. partner to bring in the all important U.S.

Enter First Boston. It was apparant to most observers of the in-

It all began at 11 a.m. in Zurich on April 4, 1978, when the telephone rang for Rainer Gut, chairman of Credit Suisse. . .

investment banking scene that following Merrill's de-parture Credit Suisse and CSWW had two options: CSWW could set out via its 50-percent-owned Sogen-Swiss International Corp. to develop by organic growth and reputa-tion its own connections in U.S. in-vestment banking, leaving Credit Suisse as the majority shareholder

to catch most of the earnings; or it could seek a new U.S. partner. Names flashed back and forth across the Atlantic. Morgan Stanley and Goldman Sachs were seen as the early favorites to take on the White Weld role, but it was First Boston — whose European operations, fortuitously perhaps, were in turmoil — that took the lead.

At the center of First Boston's problems was Minos Zombanakis. He was the man who through his own flamboyancy and unique management style had built the early marketing success of First Boston syndicated credits, Eurobonds, project and corporate finance.

But although the salesmanship was breathtaking and the deal-fixing legion, the management and earnings performances were less impressive. First Boston (Europe) had its problems. Pre-tax profits at \$912,000 in 1975 tumbled to \$420,000 in 1976 and to just \$51,000 last year on revenues reported to be \$2.6 million. And although some of the de-

cline could be blamed on the growconfidence and importance of European universal banks in the marketplace, it was also clear some of Mr. Zombanakis' magic ties were coming apart. Most notably, the Algerian state oil agency Sonatrach decided in 1974 that it no longer required an advisory Sonatrach decided in 1974 that contract with First Boston. Then last September the link with the National Commercial Bank of Sau-di Arabia was terminated.

It was against this background that First Boston, Credit Suisse and CSWW put together a package deal in July. First Boston took a 31-percent stake in CSWW's holding company for around \$30 million. For the same sum CSWW's holding company gained a 25-percent inter-est in First Boston Corp. through an issue of common shares. (The

Credit Suisse First Boston stake
has since been raised to 31
percent.) As part of the deal,
CSWW absorbed First Boston (Europe) to become Credit Suisse First Boston (CSFB).

The management upheaval immediately followed. In addition to those who left with Minos Zombanakis — a month before the CSFB deal was concluded — Randy Lyon, who ran the Eurobond business in the corporate finance department, returned to New York. Nor did the firm's head of securities, Bill Steen, move over to CSFB. But some senior staffers did make the move, along with the Eurobond traders. The only section of First Boston (Europe) to be shaved off was the equity division. But it is pointed out that this may not necessarily be a permanent arrangement in that the equity desk in the

The management shakeout that followed CSWW's tie-up with First Boston (Europe) claimed its most signficant victim this month with. the abrupt resignation of Managing Director John Craven. Mr. Craven's departure is the more significant in that during six years at CSWW he was largely the driving al investment bank. force behind the bank's rapid expansion in the Eurobond markets.

past worked closely with the bond

department.

It seems that Mr. Craven, after overs and mergers. In its former just three months of association guise as CSWW, the bank had alwith First Boston, found that the ready been stepping up its involv-bank he had helped build was be-coming a different institution. It Among the recent deals in which it

had more staff and branch offices has provided advice was the £14 - including Athens and Singapore - and it had to learn to live with new parent shareholders in the United States. It was a situation he preferred to leave — but on amica-ble terms.

His future remains undecided. But in the meantime Credit Suisse First Boston's vice chairman, Michael von Clemmis, is set to take over as chief executive. It will become his responsibility to bear the fruits of the merger.

The logic of the CSFB union has been evident from the outset. It created one of the most powerful and influential financial groupings in the world that in most measures ap-pears to be stronger than the Credit Suisse relationship with White Weld. Indeed, there has been con-siderable debate within the international banking community as to which partner in the transaction has gained the most from the deal.

From the viewpoint of Credit Suisse and CSWW, the foothold in the United States provided by White Weld had been replaced by a much stronger one in the July deal.

Looked at from New York, the deal was equally attractive to First Boston. Some analysis have questioned why Credit Suisse was will-ing to give up the enlarged equity stake that it acquired as a result of the Merrill Lynch options. The answer seems to lie in the state of First Boston's European operations. Although an important house in the Eurobond market, it was not a front runner like CSWW, and there is little doubt that in the wake of Mr. Zombanakis' reign First Boston (Europe) needed putting in order. The link with CSWW provided it with a ready-make, highly successful management team with a combination of flair and prudence.

In what areas does the management of CSFB expect the new rela-tionship to bring lasting benefits? According to John Craven in an interview prior to his announcement that he was resigning, too much emphasis in discussion has been placed on the bank's Eurobond activities when in fact the benefits will span the whole range of CSFB's activities as an internation-

The new bank hopes to be more active in the field of corporate takemillion purchase by Tenneco of Harmo in Britain. CSFB believes that the new tie will bring a broad er range of U.S. clients, enabling to provide takeover and merger ad

rice on both sides of the Atlantic.

The First Boston tie could also open further opportunites in the Yankee bond market. CSFB would persuade European clients and conracts to make greater use of the Yankee bond market, profiting from the expertise and market posi-tion that First Boston Corp. has in New York.

Project finance is another field in which CSFB will be able to take the maximum return from the First Boston arrangement. First Boston has been among the pioneers in the field. Among its most notable achievements was the financing of the Ekofisk field pipelines in the North Sea. First Boston's expertise in project finance will enable CSFB to put together more packages along the Ekofisk model while at the same time bringing in a stronger European presence. It is expected that announcements will be made soon of new developments in this area

And there is the Eurobond market, in which CSWW placed top of the league last year. With the con-tribution of First Boston (Europe) the group will be looking for a heightened presence in what it be-lieves is still a fast growing market. In spite of the slackness of the dollar sector — apart from floating rate notes — the CSWW connec-tions in the Deutsche mark and wiss franc sectors have ensured that its market position has not been eroded by the dollar crisis. And in a better year for the dollar the First Boston market pull could be that much stronger.

In additon, there are mutual ben esits to be drawn form First Boston's presence as a management force in the syndicated credits field, where it has arranged loans for Greece, Italy, Algeria and Iran, among others. The bank can benefit from CSWW's traditional strength in the London market for dollar certificates of deposit in which from a modest start several years ago it has now won leader-

Relationships of the closeness and quality that CSFB and First Boston appear to be aiming for take a long time to shake down. Time, earnings and market pres-ence will tell the full story — but we will have to wait for that

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Rate-Cutting Reveals Achilles' Heel of Euromarket Bankers

ONDON (IHT) - The Eurocredit market has become fiercely competitive. Willing creditors have outnumbered the waiting line of eager borrowers. Not surprisingly, the result has been the development of a borrowers mar-ket, but there are signs that the sit-

uation is being reversed. In recent years, the ranks of in-ternational banking syndicates have swelled, encompassing diverse institutions from the United States,

West Germany, Switzerland, Lux-embourg, Britain, France, the Netherlands and Japan. The pride of belonging to an in-ternational syndicate has enticed many banks, while others have sought the prestige of heading a lending group. But certainly, the primary attraction has been the potentially lucrative nature of international syndicate lending, and this has been reinforced by the desire for safety in numbers.

No Authority

Such a flow of entries alone would have been enough to heighten competition among these bankers, but two other factors quickly overpowered the banking professionals: Namely, burgeoning liqui-dity in the Eurodollar market and slackening loan demand from borrowers with top credentials.

Without the regulation of a central monetary authority, like the U.S. Federal Reserve System, the reservoir of funds in the Euromarket has risen freely to an estimated \$600 billion. Especially during the last five years. Euromarket bankers have found themselves flooded

However, they have also been faced with a wholly unexpected problem—the prolonged global recession that followed the oil-price boost in 1973 by the Organization of Petroleum Exporting Countries

As the economies of Europe, the United States and Japan receded, many major corporations found no need for loans, regardless of the ample supply of capital and the low rates of interest offered by the Euromarket: Swamped with cash and unable to attract a sufficient number of first-rate borrowers, Euromarket bankers struck out in two directions simultaneously: Cutting interest rates until costs were barely covered and considering borrowers who had previously been deemed unacceptable, particularly some of the less developed countries. By doing so, the Euromarket bankers were exposing their Achilles' heel - their vulnerability to barsh inter-

nal competition. Rate-cutting eventually became temporarily from the Eurocredit commonplace as various banks market. But he also noted that as

Rate-cutting eventually became commonplace as various

banks tried to outmaneuver their competitors. According to

insiders, some banks even settled for interest rates that were

below costs, hoping to attract further business at higher rates

of interest.

tried to outmaneuver their competitors. According to insiders, some banks even settled for interest rates that were below costs, hoping to attract further business at higher

rates of interest. Earlier this year, several banks, particularly U.S.-based banks, began to dig in their heels. They pre-ferred to abstain from syndicated loans as opposed to seeing rates fall any further. At that time, John Wage, vice chairman of Manufac-turers Hanover Trust Co., said in an interview in London that U.S. banks had decidal to withdraw

for "the appetite of nondollar banks to fill the gap in low-margin lows . . . it will come home that peting head-on" and the market they don't have a lender of last resort behind them."

of a central monetary agency in the Euromarket that can dish out credit when needed in order to maintain a balance in the banking system. indeed, many analysts worry that if there ever is a severe credit squeeze in the Euromarket, some banks could go under for lack of a lender

of last resort.

"Higher margins would result in a healthy banking sector," Mr.

the vast excess of liquidity throughout the world financial market. Moreover, the volatility of those

was subsequently getting "picked over," he said. As banks began to Mr. Waage's reference to a lend-er of last resort pointed to the lack tire system arose, he added. "There has been too much expansion, too quickly, by too many banks," he asserted. The fact that there are

> come back to haunt us." -Part of the reason for the development of this situation has been

"too many avid lenders choosing

funds has become "scary," experts say. For instance, a big London bank can handle single payment of Anything below that is "downright crazy," said one analyst.

According to Mr. Waage, lowerup to \$500 million at a time, mainly due to the onslaught of oil money from the Middle East. This has spilled over into the Eurocredit

Generally, a profit margin of one percent — in this case, the differ-ence between a bank's funding cost on the London interbank market and the amount charged for lend-- is considered essential for the long-term profitability of a banking institution.

Bankers point to a margin of 0.75 percentage points above the London interbank offered rate (Libor) as the break-even point. Despite this, Euroloans earlier this year began carrying margins of only 5/8 percentage points and later dropped to 1/2 of a point. A rate of 5/8 of a point is said to be only enough profit to pay for overhead.

ing credit standards is "the most dangerous" aspect of the current Euromarket dilemma. But this is compounded by the fact that "low margins reduce profitability and make it more difficult to write off bad loans.

Downtrend

The downtrend in borrowing costs now seems to be reversing course. Leading German banks were understood to have refused to participate in a major \$300 million. 10-year standby credit in October for Electricite de France (EDF) because the spread was too low. The terms originally suggested included a spread of 3/8 points above Libor, rising to 1/2 of a point. Such a spread would have been the lowest reached in the downturn in borrow-

ing costs.
As it turned out, Credit Lyonnais

put together a management grafter EDF, but the amount of raised to \$600 million. The terms of the standby facility, which will used as a back-up line for an equal amount of commercial parameters. alent amount of commercial page in the United States, will include maturity of 10 years, with chart years' grace and a spread of hair point throughout.

Mavericks have commonly blamed for the profit-margin to bles of the Eurocredit market this regard, German and Japan banks have been singled out. The banks have been singled out. The banks obviously enjoy the larger nancial resources supplied by the respective economies and the yen. But the weight of mone circulating in the Euromarket pace at which it is able to chands and the ferocity of competion among all banks in this maniprobably have been the determing factors behind the management of the probably have been the determine factors behind the management of the probably have been the determine factors behind the management of the probably have been the determine factors behind the management of the probably have been the determine factors behind the management of the probably have been the determine factors behind the management of the probably have been the determine the determine the probably have been the determine the determine the probably have been the

Effect of U.S. Monetary Curbs

(Continued from Page 7) predicted by looking at the details of foreign lending. The total volume of claims arising from U.S. bank lending across national bor-ders equaled \$194 billion at the end of last year. Of this total, 43 percent represented claims on residents of Switzerland and the other 10 largest industrial nations. A fur-ther 22 percent was accounted for by offshore banking centers and other developed industrial nations. The actual total volume of such claims outstanding to non-oil producing developing countries was \$47 billion.

Further, about two-thirds of all the outstanding foreign claims had a maturity of less than one year, and only \$12 billion had a maturity of more than five years. Fully \$96 billion of the claims were against other banks, while \$60 billion were against nonbank private borrowers, leaving just \$38 billion against pub-

lic sector entities.

In addition, the U.S. banks reported \$49 billion in foreign local currency claims, but they had \$40 billion in foreign local currency lia-bilities; 73 percent of the claims were against residents in the largest industrial countries. The U.S. banks also had contingent claims on foreigners — where the banks had a legal obligation to provide funds — which amounted to \$52 billion, and only 25 percent of this sum was against public sector bor-

Thus the actual volume of loans outstanding is so vast that it fully authorities. But the majority of these loans are short-term in nature, and to borrowers that may well be considered of prime caliber. Indeed, it appears that the biggest concern of the authorities centers

on the risks involved to the banks through the \$47 billion in loans to be negligible in terms of the gradual transfer. non-oil producing developing coun-

But once again the actual figure here tends to overstate the seriousness of the situation. The fact is that Mexico accounts for \$11.21 billion of these claims and Brazil accounts for \$11.99 billion, and the authorities evidently do not think that either of these countries is likely to default. It also seems that the authorities are not worried about the \$2.81 billion in claims on Taiwan, or the \$3.07 billion in claims on South Korea or the \$2.05

billion in claims on the Philippines. Indeed, with a careful look at the list it appears that these days the most concern by the U.S. authorities centers on less than 10 percent of the total foreign loans made by U.S. banks — a volume that is substantial, but manageable,

Further, the authorities appear, by and large, to be fairly impressed by the systems developed by most big banks in the United States to evaluate country risk and monitor their foreign loans. There are also indications that many banks are themselves most concerned about the risks involved in lending to an increasing number of developing countries and that they are, as a result, striving to slowly reduce their exposure to such risky

All the same, there is a distinct feeling in U.S. banking circles that the authorities will become more ing of foreign lending Many bank- in fiscal and monetary policy o ers, however, believe that this will the part of U.S. authorities.

only encourage increased foreign Will such discipline develop

be negligible in terms of the grow rate of the Eurodollar market its

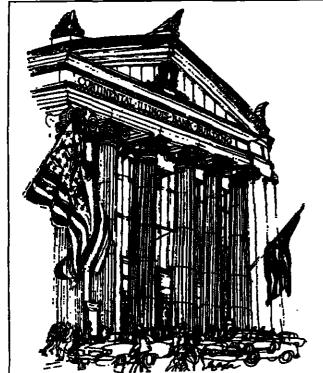
And this conclusion brings to ball right back into the court.
U.S. monetary policy. More rest tive measures here would limit amount of credit obtained, direct or indirectly, by foreigners in a U.S. market and thereby wood slow the growth of the Eurodol

To bring about a meaning slowdown, however, a more restrictive U.S. monetary policy would be used to be a support of the suppo have to be accompanied by me cuts in the U.S. balance of pa ments deficit.

Finally, bankers in the United States are convinced that if, h cause of mounting credit risks actions by the authorities, banks are forced to cut back, the official institutions such as the ternational Monetary Fund simply have to do more to finantithe debt mountains of numero countries, as well as keep the glob money and credit system well oils and prevent a serious trade and

Conversations with bank regul tors, top administration officials.
Washington as well as banke show surprising agreement on the two key conclusions concerning it further development of the Eur dollar market. First, that admini trative controls will simply many work and will do more harm that good. And second, that the be long-term means of producing be ter control rest in greater disc

only encourage increased foreign lending by European banks and more borrowing by these European institutions in U.S. markets to



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 $\mathbb{C}_{\mathbb{A}}$. Chairman of the Board of Directors

(in millions)	1978	1977
Assets		
Cash and due from banks	\$ 2,384.5	\$ 2,594.4
Total funds sold	3,965.1	4,116.6
Investment securities:		
U.S. Treasury and Federal agency securities	552.5	623.8
State, county and municipal securities	1,559.3	1,627.2
Other securities	310.0	242.5
Trading account securities	313.1	266.3
Total loans	16,465.1	13,405,8
Less: Valuation reserve on loans	173.8	. 164.0
Net loans	16,291.3	13,241,8
Lease financing receivables	•	309.4
_	352.2	160.8
Properties and equipment Customers' liability on acceptances	185.1	318.0
Other real estate	676.0	31.9
Other real estate Other assets	26.3 669.1	598.8
Total assets	\$27.284.5	\$24,131,5
	\$21,284.5	324,131,0
Liabilities		
Deposits:		
Domestic—Demand	\$ 3,785.1	\$ 3,454.8
Savings	1,323.1	1,458.0
Other time	5,451.5	4,113,5
Overseas branches and subsidiaries	8,126.9	8,121.6
Total deposits	18,686.6	17,147.9
Federal funds purchased and securities sold under		
agreements to repurchase	4,808.2	4,409,1
Long-term debt	413.8	318.6
Other funds borrowed	823.7	411.2
Acceptances outstanding	678.1	327.5
Other liabilities	681.8	534.2
Total liabilities	26,092.2	23,148.5
Stockholders' Equity		
Preferred stock—without par value:		
Authorized:10,000,000 shares, none issued		•
Common stock—\$5 par value:		
Authorized: 80,000,000 shares both years		
Issued and outstanding: 1978—39,153,525 shares	40c =	4== -
1977—35,560,460 shares	195.7	177.8
Capital surplus	507.5	428.1
Retained earnings	489.1	377.1
Total stockholders' equity	1,192.3	983.0
Total liabilities and stockholders' equity	\$27,284.5	\$24,131.5

In Europe Antwerp, Brussels, Liege, Düsseldorf, Munich, Frankfurt, London, Piraeus, Athens, Thessaloniki, Madrid, Rotterdam, Amsterdam, Milan, Rome, Paris, Vienna, Zurich, Geneva, and Edinburgh

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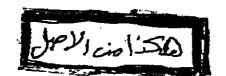




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Published with The New York Times and The Washington Post

FINANCIAL NEWS AND NOTES

Assurance Given to Strauss

Ullman to Urge Congress The state of the s

foughout have brauss that he would introduce to have been in the Production very early in the new the Production very early in the new the Production very early in the new the Production superson to extend the countervalled terminal and established by the production would be for a period long to be the angle of would be for a period long to be the angle of would be for a period long to be the angle of the angle

the treatment of the business of the Deutsche of the Deutsche

dollar ended little changed nst most currencies in subdued opean trading today. Following the the same pattern as yesterhis lending heats gains by the late afternoon. thic in terms of the disclosure that the U.S. cone lucadollar mater price index rose 0.8 percent

he conclusion percent was in line with expec-tion k ming the positions was nevertheless mildly where point the positions dealers said.

The percent deposition dealers said that considerable in-the letter weight sealers said that considerable in-proach of the letter said sealers and a \$1.5 billion deficient in Sentember and a \$3.1 billion in September and a \$3.1 billion cit in October 1977.

however the cit in October 1777.

The cit in October 1777. b. I had at 1.9265 in London deal-compared with 1.9260 late yesay. It ended at 1.7365 Swiss buther in girs compared with 1.7375. How-" the author persistent purchases of dollars apanese banks..

Montan Luch franc to 4.4120 from 4.4255 the control was mixed against the Benelux encies and gained against the Canadian dollar rose to the canadian dollar rose to the canadian strong stron

terling rose to \$1.9471 from 425 and also gained against t other currencies.

and a manifold prices continued to drop and of next month's U.S. auction 5 million ounces. In London, a price was \$195.38 per ounce, vn from \$197.63.

By Paul Lewis \

ar. an authoritative monetary

ARIS, Nov. 28 (NYT) - The

rce disclosed last night.

derestimate the difficulties in getting early congressional approval.

"It is my judgment that if Congress is to give quick and favorable consideration to legislation extending the waiver, we will need to have a very clear picture of the final (trade) package," he asserted. "While certain relatively minor items might be left for detailed resolution after the overall conclusion. olution after the overall conclusion. the specifics of the major items will need to be in hand at an early

The U.S. Treasury's authority to waive countervailing duties on imports of goods subsidized by other governments expires Jan. 3. Mr. Strauss has assured the Common Market that the U.S. administration would use all available local tion would use all available legal and administrative means to see that these duties are not applied. However, these assurances have not satisfied France, which has said it will not sign any trade accord unless more satisfactory guarantees are given by the United States (IHT, Nov. 23).

A decision on signing a trade accord has to be taken unanimously by the EEC Council of Ministers, which next will meet Dec. 20. About \$500 million of EEC exports annually could be subject to the countervailing duties if the Treasury is obliged to levy them. The products involved are mainly Danish hams and butter cookies and Dutch cheeses.

Earlier today, Robert Brungart, representing the United States at the meeting of the General Agree-ment on Tariffs and Trade, said that protectionist pressures will continue, and perhaps intensify after the end of the talks.

Negotiators have repeatedly said that attempting to lower tariffs and set new trade rules had been made more difficult because of protectionist sentiment sweeping the industrial nations.

Mr. Brungart said "Protectionist pressures are so strong that if we don't move forward we shall surely move backward. The time has come, therefore, to begin thinking about a work program for GATT following the MTN (Multilateral Trade Negotiations). We don't have unlimited time."

S. Korea Airline Eyes U.S. Craft

Korean Airlines is negotiating with two U.S. aircraft manufacturers for a fleet of wide-bodied jets that could have a total value of almost \$1 billion. according to sources close to the airline. Boeing and McDonnell Douglas are competing for the contract which, in addition to having a value of \$800 million to \$990 million, would assure the contractor steady additional orders for new and replacement aircraft. The carrier is planning to limit its acquisitions to one type of aircraft — either the Boeing 747 or DC-10 — to unify its fleet for more efficient operations 10 — to unify its fleet for more efficient operations and maintenance. The airline currently flies both types of planes.

AMC in Business 'to Stay'

American Motors Corp. and Chrysler agree in part with an auto industry report that said federal regula-tions overburden smaller automakers (IHT, Nov. 28). However, AMC chairman Gerald Meyers says the company is in no danger of folding, despite predictions in the study. "American Motors is in the automobile business to stay and has agressive plans for the future," he says. "Of course, government reg-ulation is one of the forces tending to influence the future, but American Motors' strategy plans for our growth in spite of government interference."

Sharp Plans U.S. Electronics Plant

Sharp Corp., a Japanese electronics equipment producer, says it plans to build its first U.S. manufacturing facility near Memphis to produce mi-

crowave ovens and color tv sets. The plant, which will be completed late next year, will produce 30,000 microwave ovens and 10,000 color television sets a month during its first year of operation and will operate as the manufacturing division of Sharp Elec-

Metallgesellschaft Sees Payout Cut

ings, managing board spokesman Gustav Ratjen says, but gave no details. He told a press conference the outlook for next year is viewed with scepticism, although it is not expected to be bad. In a shareholdsaid domestic group sales to third parties in the Sept. 30 year rose 2 percent to 7.06 billion DM, with domestic sales down 5 percent at 3.68 billion DM and exports up 11 percent at 3.39 billion DM.

Bendix Expects Record Earnings

Bendix Corp. senior vice president Joseph Svec says he expects the company to produce record earnings in the year ending Sept. 30, 1979, but with little overall change in sales. In the latest fiscal year, Bendix net income totalled \$129.6 million on sales of \$3.6 billion with per share income \$5.74. He says

showed a 16-percent increase from

the year-earlier level, but much of

Volvo, Norway Finally Nearing Accord

By John Vinocur

STOCKHOLM, Nov. 28 (NYT) Several months behind schedule, Volvo and the Norwegian govern-ment appear to be close to a final agreement on Norway's purchase of 40 percent of the Swedish auto-

The agreement, which would give Sweden access to Norwegian oil and give Volvo \$177 million in new capital, had been bogged down so badly that Prime Ministers Ola Ullsten of Sweden and Odvar Nordli of Norway had to meet for 10 hours last month to resolve vari-

As things now stand, a revised outline of the agreement is expect-ed to be announced Dec. 8, almost two months past the deadline. Provided that the required approval of the Norwegian parliament and Volvo's shareholders follow promptly, the new company could

it's as clear as that," Mr. Ullsten said, discussing the transaction in an interview. But bringing Volvo Svenskt-Norskt AB to life has hardly been simple.

term Norwegian oil supplies for the success is apparently because of Sweden are also being carried on, the devaluation of the Swedish kroalthough they are not directly related to the auto-oil concession discussions. It is expected that, in re- Norway's proposed role in the comturn for sharing its industrial capabilities with its Western neighbor, Sweden will eventually get an oil agreement that assures it of a sup-ply equivalent to about one-third of company," he said. its present consumption.

only provides fresh capital but also extends its narrow "home" market, which currently absorbs only 20 percent of its automobile output, to peninsula

money," a Volvo spokesman said. "Our interest is focused on the end of the 1980's. This broadeningof our base lets us take a more of fensive position in product planhave visited West Germany, Switzerland and Japan for talks with bankers about the new bond issues

> jobs could ever result in 3,000 to 5,000 new positions. The question its could be taxed in Norway one of the stipulations of the original draft agreement — also remains unresolved. This would require significant changes in Swedish tax law and possibly unprecedented deci-sions involving multinational oper-ations in both countries.

raise more ammunition for the dollar's defense came after a working lunch here between Treasury

1ADRID. Nov. 28 (AP-DJ) — problems of investment and unemployment," he said.

r showed satisfactory results, 1 expectations for 1979 are optitic Commerce Minister Juan percent in the gross national prodrcia Diez, said yesterday.
'We have corrected the balanceuct, compared with an originally es-timated growth of about 1.1 percent, he said. Tourism was expected payments deficit, substantially to earn an income of \$5 billion uced the inflation rate, and from a record number of nearly 40 ed up to, as expected, serious million visitors to Spain this year.

Spain's level of international reserves was \$9.59 billion by the end of October, according to the Bank of Spain. If this continues,

Company Reports

Hewlett-Packard

	**************************************	210.00	3.2.00
	∮ ılīts	52.00	33.00
` <i>i</i>	share	1.76	1.14
W	Year	1978	1977
	venue	1,730	1,360
Ą	วโปร	153.00	121.00
er –	share	5.27	4.27
	Litton	Industries	
	J Goor	1976	. 1977
	venue	940.50	903.40
	สโซร	9.35	15.62
	Chana	0.21	V 38

ench Prices Increase

ARIS, Nov. 28 (AP-DJ) ench industrial wholesale prices 0.7 percent in October from nember, compared with a rise of percent in September, the statisinstitute reported today. The tober index of industrial wholeprices, hase 100 equals 1962, and at a provisional 231.4 at the 1 of October, compared with a rised 229.2 a month earlier.

VASHINGTON, Nov. 28 (AP- around 10 percent," the minister VASHINGTON, Nov. 28 (Ar1) — The U.S. International add Commission voted today to a fraid to increase payrolls and are confident of keeping adequate levels of mond and plastic springels of productivity in their firms, we call be in a condition to permit a the countries from China and her countries.

S. DM Bonds Seen by Mid-December sale of United States bonds, re-The borrowing in Germany is expected to be followed by similar borrowings in Switzerland and Japan, although these may not take ferred to as "Carter bonds." They will be sold only to West

and the state of t German residents to prevent non-German investors from depressing the dollar further by selling their is a 1 to 3 billion Deutsche marks in : West German capital market dollars to buy the DM-bonds. Gert month as part of President ter's latest plan to defend the man banks and insurance companies are likely to be the prime subscribers. European bankers expect the bonds to have a life of three to he borrowing part of U.S. ns to raise a total of \$10 billion th of marks. Swiss francs and four years. They also doubt that the Treasury can get an interest rate of much under 5 percent, since the German government recently paid 4.89 percent on a two-year public to use in dollar-support opera-is, will be made in early to mid-

government officials said, reserves should reach more than \$11 billion by the end of the year.

The balance of payments was

forecast by officials to end the year with a surplus of around \$500 million — the first positive balance since 1973.

The consumer price index is not

estimated to exceed 16 percent by the end of 1978, 10 points less than

in the previous year. However, this

improvement, experts said, has been achieved at the expense of an

increase in unemployment and in-

vestment weakness of some indus-

rate in the countries of the Europe-

an Economic Community. It also is

operation and Development, except for Portugal and Iceland.

Unemployment, presently estimated at nearly one million or 7.5 percent of the labor force, is one of

the two negative points of the economy. The other point is a low level

reactivation of private investment."

of investment.

worth of Swiss francs, in several separate borrowing operations over the coming months. News that the United States will pain Economic Progress undersecretary Anthony Solomon and the Bundesbank vice president. Karl-Otto Poehl, who are both attending a meeting of high-level Western monetary experts known as Working Party No. 3 of the Organization for Economic Commencers. aid Satisfactory in 1978

ganization for Economic Coopera-tion and Development. At this meeting there was general agreement that the U.S. balance-of-payments deficit would shrink dramatically next year to \$6 billion to \$8 billion, compared with an expected figure of about \$19 billion in 1978.

Nov. I measures, the price of this improvement will be a sharp slowdown in the real growth rate of the ty (IHT, Nov. 19). U.S. economy, from an annual rate of about 3.8 percent this year to only 2 percent next year. This growth forecast is lower than the 3 percent the administration still beieves possible next year, implying a higher level of unemployment.

China Stepping Up

U.S. Grain Purchases WASHINGTON, Nov. 28 (UPI) — The Chinese have bought 6.2 million metric tons of U.S. grain in

recent months, after a four-year hi-

A government goal for 1979 is to hold inflation to 10 percent, a fig-ure double the average inflation atus from the U.S. market. The latest purchase, announced yesterday, was for 350,000 metric tons of corn. Since the Chinese renewed purchases of U.S. grain in April, they have bought 2.3 million tons of corn and 3.9 million tons of the highest among the countries of the Organization for Economic Co-

Admit Receiving Japanese Bribes

- Two Alaska men have admitted But, according to newly prepared taking thousands of dollars in OECD forecasts that try to predict the consequences of Mr. Carter's ary companies in return for rigging bids on \$8.8 million in contracts with the Anchorage telephone utili-

Under questioning by Judge Pregerson both men admitted con-spiring with officials of the two

Despite the guilty pleas by Mr. Ellis, a commission agent for Maru-beni, and Mr. McBride, a former Anchorage Telephone Utility official, the two companies said they planned to fight the charges.

Required capital U.S. 90,000.--. Return on investment: 10-12% p.a.

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Metallgesellschaft expects to pay a lower dividend for 1977-78, after last year's 5-Deutsche-mark pay-out, due to lower provisional domestic group earn-

debt ratio at the end of September was some 31 percent, having been as high as 35 percent in the year, and that this is about right for maintaining its bond ratings.

come into being next January.
"We have cars and they have oil

Basically, the agreement calls for

place until early next year. In the last few weeks. Treasury officials

and the expectation in European banking circles is that the Carter

administration will raise \$4 billion

worth each of West German marks

and Japanese yen and \$2 billion

private Norwegian interests to provide the money for at least half of holders have expressed concern the needed capital. Three large Norwegian banks are to arrange government might encounter in atthis part of the financing and then tracting private buyers to the new sell bonds and shares to Norwegian company's shares. In addition, they do not like the extent of Norway's investors.

Volvo, which has no immediate official involvement in the compa-Volvo, which has no minimum ny.

plans to build car-assembly plants ny.

Swedish labor unions, though, in Norway, has agreed to manufacture diesel engines there. The car have not fought the plan. maker's commitment is to create 3,000 to 5,000 new jobs in Norway in the next five years. At the same soon has brought a new mood of time, the agreement will give the optimism to Volvo. The automaker Volvo Petroleum Company, which suffered serious sales declines in is an offshoot of the arrangement, 1976 and 1977, but performance one or more Norwegian offshore this year is running 10.6 percent North Sea oil concessions to be al-

located shortly.

Government discussions on long-

For Volvo, the agreement not

"This was no desperate search

ning and marketing."

The difficulties in tying up the greement have come from both the Swedish and Norwegian sides.

The Norwegian Federation of Industries has expressed its doubts that the money the Swedes would put aside for creating Norwegian of how 40 percent of Volvo's prof-

2 Alaska Men

LOS ANGELES, Nov. 28 (UPI)

Forrest Ellis and Richard Mc-Bride entered guilty pleas yesterday before U.S. District Court Judge Harry Pregerson after pleas of innocent by Marubeni American Corp. and Hitachi Cable Ltd., the two Los Angeles-based companies that alleadly and the beautiful the companies. that allegedly paid the bribes.

Japanese companies to rig the con-tracts. They pleaded guilty to con-spiracy, interstate travel to commit bribery and wire fraud, while Mr. McBride admitted to an additional charge of mail fraud.

Unique Investment opportunity in Switzerland. 50% holding of well established Swiss Company (Manufacturing/distribution) for sell.

Food, Housing Costs Lead Rise

U.S. Consumer Prices Up 0.8%

WASHINGTON, Nov. 28 (UPI) Led by sharp increases in food and housing costs, U.S. consumer prices surged 0.8 percent in Octo-ber from the previous month and were up 8.9 percent from a year earlier, the government reported

The increase matched the Sep-

tember advance. The Labor Department said its consumer price index for all urban consumers, which covers about 80 percent of the population, stood at 200.9 last month. The index base is

1967.
The department also reported that individual purchasing power in October slipped below year-ago levels for the fifth consecutive month.

Food and beverage costs jumped 0.8 percent, the largest gain since June and considerably above the 0.2 percent advance of August and the 0.5 percent increase of Septem-ber. Grocery prices jumped 0.9 per-cent after leveling off during the summer, primarly because of large

increases in meat costs. Housing costs rose 1 percent, also the largest since June, as home prices and mortgage interest rates continued to climb. Medical care costs rose 1.1 percent, the biggest increase of 1978. Entertainment costs doubled from the previous

month, rising 0.8 percent.

President Carter's anti-inflation program has a goal of bringing in-flation down to between 6 and 6.5 percent in 1979, a development which most private economists believe is highly unlikely.

Meat prices rose 2.1 percent after falling in the previous three

U.S. Posts Deficit In October Budget

WASHINGTON, Nov. 28 (AP-DJ) — The U.S. government had a \$13.95-billion budget deficit in October, the first month of the fiscal year compared with a deficit of \$14.66 billion in the comparable month a year earlier.

In September, the government posted a \$13.66-billion budget surplus. Receipts in October totaled \$28.75 billion up from \$24.13 bil-lion a year earlier but down from A Volvo spokesman said pany should not bring about any \$42.59 billion in September. Outlays were \$42.69 billion, up from \$38.79 billion a year earlier and changes in Volvo's image or management approach. "But we're convinced that it makes us a stronger \$38.94 billion in September.

months. Pork prices rose 3.7 percent, the first gain in five months.

Beef prices climbed 1.6 percent folwas announced. Since the mortification of the prices of the price lowing an 0.4 percent gain in the previous month and poultry prices, which declined in both August and September, rose 2.5 percent. Prices also increased for fruits and vegetables, eggs, dairy products and cere-al and bakery products.

In the housing category, home prices rose 1.4 percent and mortgage interest rates jumped 0.7 per-cent, about the same as in Septem-

ber. However, the measurements

gage rates have soared dramatical-

The department said inflationadjusted weekly earnings of a hypothetical married worker with three dependents fell 0.1 percent in October, the third consecutive monthly drop. Compared with a year ago. real earnings were down 3.6 percent. It was the fifth consecutive month that earnings were off from a year earlier, the department said

NYSE Prices End Lower In Light Trading Session

NEW YORK, Nov. 28 owned by Studebaker's FSC inter-(Reuters)— A late selloff pushed prices sharply lower on the New York Stock Exchange in light trading today.

Analysts said investors may have grown cautious ahead of reports due tomorrow on U.S. leading indicators for October and the October trade figures.

They also said the late pullback began shortly after presidential in-flation adviser Alfred Kahn warned that "the dangers of a serious recession would be enhanced if inflation is not brought under control."

After the close, Wage and Price
Council director Barry Bosworth
said the 8-percent U.S. inflation

projection now appears too low. The Dow Jones industrial average fell 9.7 points to 804.14 and declines led advances 877 to 524. Volume rose to 22.74 million shares from yesterday's 19.79 million.

The retreat was led by glamour and growth stocks. IBM lost four to 267%, Boeing, the volume leader, 2% to 64%, Du Pont 4% to 119%, Smithkline 2% to 89% and Teledyne 21/4 to 951/4. Consolidated Freightways lost two to 221/2 and McLean Trucking

Commission suggested the trucking industry accept a lower freight rate hike than it requested. White Motor Corp. said it agreed to settle a suit brought against it by Studebaker-Worthington Inc. Un-der the agreement, White will issue

1.05 million common shares to

redeem White preferred stock

one to 13. The interstate Commerce

national Corp. and for accrued un-paid dividends on the preferred.

General Electric 12 to 49.

Prices on the American Stock Exchange also fell, with the market-value index off 1.4 points to 147.44. In Chicago, soybean and grain prices edged lower on the Board of Trade despite continued export demand for U.S. grains.

U.S. Contracts In Building Rise 40% in October

NEW YORK, Nov. 28 (AP-DJ) - U.S. construction contracts in October jumped 40 percent to \$14.9 billion from \$10.6 billion in October 1977, the F.W. Dodge divison of McGraw-Hill reported

George Christie, Dodge's chief economist, said, however, that he expects the rate of contracting to begin to decline early next year because of increased monetary restraint by the Federal Reserve

Board. The biggest percentage gain last month came in contracting for non-building construction, which leapt 98 percent to \$3.9 billion from \$2 billion in October 1977. Last month's figure included \$2 billion in contracts for three coal-fired electric power plants in Indiana,

viall

One way to operate is to concentrate decision making in the centre or in the hands of a few senior executives.

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a share of over 30% of all Finnish savings. When you need banking services in Finland - think dynamically - think Skopbank, the commercial bank with a modern, full-service network of 1.300 offices, the biggest banking group in Finland.

Market shares of total deposits 1974 1978(to Aug) The Skopbank Group* 29,6 30,9 The cooperative banking system 22,4 23,8 Biggest commercial bank 16,8 15,5 Second biggest commercial bank 14,6 13,6 16,6 16,2

*) Skaplank with shortholder banks

skopbank

The Skopbank Group The Dynamic Third

Street address: Aleksanterinkatu 46, SF-00100 Helsinki 10. Phone: 170 361. Telex: Foreign Exchange and Eurobonds 12759 skop sf, Payment Orders 122285 skop sf, General Business 122284 skop sf. SWIFT-address: SKOP FI HH. Affiliated bank: Banque Nordeurope S.A., Luxembourg.

NYSE Closing Prices November 28 Chiese 12 Month Stock Sis. Close Prev High Low Div. in \$ Yid, P/E 100s. High Low Quot. Close 3140154 We will start with the second of the tion products. Industrial and commercial equipment. Other Kidde highlights: 1977 sales \$1.48 billion. Earnings/share \$4.70. Annualized dividend rate up to \$1.40/share. \$1 record quarterly results in 1978. For Annual Report, write: Dept. HT, Walter Kidde Co., Belvue Rd., Northolt, Middx. UB5 5QW, England.

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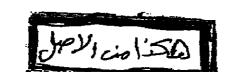
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European American

Banks



NYSE Closing Prices November 28

Toronto Stocks

Montreal Stocks Closing Prices November 28, 1978

81/2— 1636— 776+ 3746— 351/6— 71/2

Currency Rates

By reading across this table of the November 28, 1978 's closing inter bank foreign exchange rates, one can find the value of the major cur-rencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

\$ £ DM FF Lit. Gldr. BF com. SwissF. Dan.Kr.
10 2.0885 4.072 108.55 * 47.30 * 0.2462 - 6.892 * 122.00 * 39.12 *
11.928 3.7493 - 45.64 * 2.265 x 92.13 * 6.35 * 111.04 * 36.10 *
1.94645 - 3.751 8.598 1.655.62 4.067 59.10 33.775 10.386 *
851.70 1,654.60 441.05 192.43 - 406.56 27.97 489.05 199.37 *
4.4175 8.6065 229.35 - 5.203 x 211.40 * 14.5475 * 254.45 * 82.78 *
1.73825 3.3816 90.1191 * 39.3119 * 0.2042 83.08255 * 5.72155 * 32.52625 *

The following are Dollar values as quoted on the London foreign exchange market: Danish Krone: 5.34075: Escudo: 46.925: Israeli & 18.90: Peseta: 71.505; Schilling: 14.12; Sw.Krona: 44365: Yea: 196.70; Norw. Krone: 5.133; Fin Mark: 4.055; Belgian Financial Franc:31.09; Hong Koog \$: 4.7965; Singapore \$: 2.20775; Canadian \$: 85.115 U.S. cents.

(c) Commercial Franc. (*) Units of 100. (x) Units of 1000. (y) Units of 10,000. (z) Amounts needed to buy one pound.

European Gold Markets

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In keeping with Costa Rica's push to become the Switzerland of the West, WORLD INVESTORS'S GROUP has

been perfecting timing techniques and management methods designed to provide complete guidance in the achievement of consistent growth. Our special reports to see gold and

hard currences peak at the end of October were classics; and New York

growth buys recommended simulta-

neously are starting to move. Now, in a more-detailed study, we're project-ing two and three years of upside action for recent buys ronging from Mohawk Data and Sovin Business

Machines to storage technology, Tandy and Texas Instruments. If you'd like to shoot for a million

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pil

Kraft, Inc., Glenview, IL. (U.S.A.) Formerly: Kraftćo International Capital Corporation,

Notice to the Holders of the 7 1/2% Convertible Bonds of 1970

New York, N.Y. (U.S.A.)

Krait, Inc., Glenview, IL., U.S.A., hereby offers to the bondholders to purchase for redemption purposes the convertible bonds of the above-

The convertible bonds with interest coupons as of September 1, 1979, and subsequent thereto (N° 9 through N° 15) and 5 bearer receipts may be presented prior to December 15, 1978 in the Federal Republic of Germany, including Berlin (West), at

Deutsche Bank AG, Frankfurt am Main, Deutsche Bank Berlin AG, Berlin, Deutsche Bank Saar AG, Saarbruccken,

and their branch offices. The amount of missing coupons will be

Payment for the convertible bonds presented in accordance with this offer will be made value December 21, 1978. Interest for the convertible bonds presented will cease on December 20, 1978. Interest accrued for the time from September 1, 1978, to December 20, 1978, will be

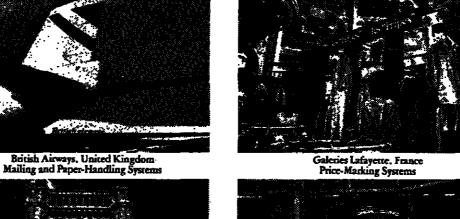
A commission of 1% of the purchase price of the convertible bonds will be paid to the depositary banks for those convertible bonds presented by them in accordance with this offer to compensate the commission customarily charged to their clients. The convertible bonds with interest coupons as of September 1, 1979, and subsequent thereto and 5 bearer receipts have to be presented together with a list in three

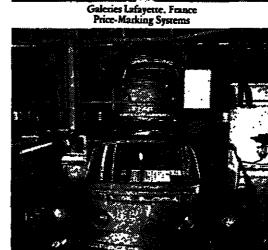
According to the Conditions of Issue paragr. 4 (1) the Borrower has the right, upon not less than three months' notice, to redeem at par all outstanding convertible bonds on September 1, 1981, or any subse-

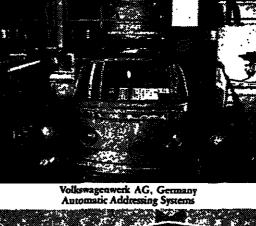
Glenvica, II., in November, 1978.

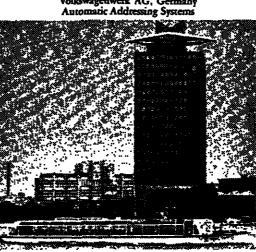
Helping business and government respond to people's needs: a world-wide commitment from Pitney Bowes.













Prudential Assurance Co., Ltd., United Kingdom

Fred, Olsen Lines, Norway Mailing Systems

Banco do Estado de São Paulo, Brazil

- Securities Identification N° 454 338 -

at a price of 109%.

deducted from the principal.

paid together with the purchase price. Securities turnover tax, if any, will be borne by us.

quent interest payment date.

Kraft, Inc.

businesses and governments face an ever-growing challenge in communicating with the people they serve. Customers demand greater satisfaction, better performance. Citizens demand more and costlier services.

Throughout the world.

To respond effectively, your organization-be it part of industry or government-must streamline its flow of information or face loss of business, loss of confidence.

Increasingly, this solution involves Pitney Bowes: the world's leader in mail and paperhandling systems and retail price-marking systems. For over 50 years, Pitney Bowes has successfully helped organizations -from the smallest to the largestcommunicate more quickly, more efficiently and more effectively.

This success has always been based on a staunch dedication to product excellence, integrity of service and an eye to the future. And is evident in the firm's long-term relations with many leading public and private

institutions world-wide. To the people of Pitney Bowes, the job ahead calls for even greater commitment: as a society grows more complex, so will its communications requirements. You can be assured of a capable, trustworthy partner to help you meet those needs. A partner named Pitney Bowes.

Pitney Bowes

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Page 20 **NYSE Closing Prices November 28** Chae 12 Month Stock SIs, Close Prev High Law Div. in 5 Ytd, P/E 1885, High Low Quot. Close 295 Margan 220 197 March 220 197 March 21 197 March 21 197 March 21 291 March 21 291 March 21 291 March 21 291 March 220 291 Mar 2034 May DS 1.28 19 May ST 0.90 19 May ST 0.90 2349 May ST W. 2349 ADVERTISEMENT European Markets | International Bonds Traded in Europe (Yesterdays closing prices in local currencies) SEKISUI PREFAB HOMES LIMITED **Dollar Bonds** (CDR'e) Amsterdam | Gr Un St Cornation 4-88 Chevron 5-88 Chevroler 44-68 Chrysler 44-68 Chrysler 5-88 Che Bil. 61-69 Cr Suisse 4'4-91 Cummint 61-86 Dori Ind 41-87 Eosi Kodak 4'-87 GenElec 4'-87 GenElec 4'-87 Gelliette 4'-87 Guillette 4'-87 Guillette 4'-87 Guillette 4'-97 ISE 64-89 ITT 41-97 JUSCO 6-97 Komatsu 71-90 Mitsui 7'-8-91 Morgon, IP 4'-87 Nabisco 5'-48 Owenstill 4'-87 Gulinness Hawker-Sldd Hudsan Bav Imp. Chem Ind Imps Marks & Spen Metal Box Nichols Plessev Rand Mines Rank Org Payal Dutch P.T.Z. Shell AKZO Albert Heim Algembank Amrobank A'Dam Rub Fokker Heineken H.V.A. Hoogovens K.L.M. Not. Nedder Poknoed Politios The undersigned announces that the Semi-Annual Report February, 1978-July, 1978 of Sekisui Prefab Homes Limited will be terdam-Rotterdam Bank N.V.. Bank Mees & Hope NV. P.T.Z. Shell Thorn (A) Tube invest Union Carb. Vickers, War L31; West Deep West Prief West Hold West Min Woolworth 70) AMSTERDAM DEPOSITARY Amsterdam, November 22nd, 1978. Brussels Arbed GBL (8.lamb) Milan **Opportunities GOLD** has Plot 8-82 924 First Chic 7-80 991 Gottoverken 81-587 991 Gould 934-83 991 Homerstev 81-84 911 Homerstev 81-84 971 ISE Cndo 9-82 981 ILU.Overseas 9-83 943 Kidde W. 817-85 931 Kackums 8-83 972 Manitoba 834-83 977 | F| | Noigas | Naisider | LaRinas | Maniedis | Olivetii | Pirelii | Sora Visca Frankfurt **Helped Create** Convertible Bonds 7414 7614 991/2 10112 1071/2 1091/2 92 94 102 1031/2 901/2 911/2 99 101 90 92 The late-October gold rush and ensu-ing collapse have helped create a sweeping range of new growth and apportunities among stocks, ities and currencies which urned. For example, the newest Dean & Dean report covers an Ames growth stock which fell from \$33 to \$20 even as sales were elimbing 54 Selected Over-the-Counter CCF Ferado Imetal L Oreal Muche Bull Michelin Mout Henn Moulinex Par Ibas PUN Penarraya Perrier Peupeot Rh Paulenc Sacilar Si Gobain Suez Telemecon Thornson Usinor 160.00 178.50 259.50 287.50 114.00 180.20 129.50 237.70 per cent and profits were jumping by 89 per cent. With proper use of le-verage we see a 500 per cent gain coming as the issue regenerates along 127.20 470.00 57.80 52.90 1.228.00 574.00 115.20 200.50 77.95 38.00 485.50 118.50 142.00 294.00 793.00 13.50 my. Then there were commodities such as SUGAR and SOYBEANS London which dropped to important pixel points as guld sagged in early November, creating still further opportunities for high-multiple gain-which you'll fund the newest Dean & Anglo-Am Cp Anglo-Am Borcloys Bnk Beecham Gp BICC Boots Bowater BAT Ind. Bowater BAT Ind. Bortl-Oxya Bril: Per. Burmah Codbury SC Chartered Courtawids De Beer D Decca Rec Distillers Dunica E Mus Ind GEC Free St Ged GKN Glava Gp Gold Fields 2.89 0.344 3.60 6.08 1.20 2.03 1.80 2.95 0.57 1.22 3.36 1.52 3.26 1.52 3.26 1.52 3.26 1.52

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- -		DefintB	1714 1914	EmpAm	15 15/2	PBSVNC	10% 11%
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AdvMicr	211/2 22	Donidsn	24 25	Keuffel KeveFib	13": 14": 24 25	Rovchm	57'5 59'a
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Birtchr	115 178	Formigli	2 <u>4 3'</u> -	MontCol	59a 6	TecumP	55 57
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Bononzo	5-4 6'a	Fradice	13'8 1423	MorgRes	21/2 31/4	Titlan,	38'ס 41
BrookS BrwTam	27'-2 29 17 17V2	GnPIEs!	7: 9	Mostek MotoriM	15% 16% 11 12	Tiprary	814 834
Buckbee	548 544	GoReins	182 186	MotClub	679 728	ToscoCo TrnsOcO	5% 5% 16 19
Buckeye	1211 1279	GovEFn	10 10%	Mueller	21'4 22'4	TricoPd	46 50
BurnupS	418 5	GreenM	124 124	NorgCp	29 30'-	7rlm0G	5 51/2
CalWISv	30 311/5	GreyAdv	79 32	NatGOII	15'4 16'4	TysonFd	124 134
CanradH CapSwC	214 234 BV2 914	Gifintsi Gyrodyn	15% 17 6 6%	NotLibby NaidRE	726 734 13 14	UnMcGil	8/2 912
CopinAir	2'8 2'2	Hardwk	97:± 1014	NJNGGS	141: 15	USSurg USTrck	1812 19 1375 1434
CoreCo	51/2 7	HrpRow	12' 4 1254	NielsnA	24-8 2458	UVaBsh	22 2 23%
CnY1P5	15 1576	HareGe	16": 17	NielsnB	24 24':	UpPenP	161 : 1714
ChmLea	2917 3912	HortiNi	15' 0 15%	NoCarGs	10 10-25	ValyGas	978 1034
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ClarkJL	27 28'>	HudsPap	4) 43	OglivyM	20 20-3₄	WishEnr	14'4 74%
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Frederick Street,	:					
P.O. Box N-8324, Nassau, Bahamas. Tel.: (809) 325-5275.						
					Telex: 20-329.	
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Dean report discussing. As for GOLD itself, Dean & Dean technicians have anticipated a possible swing of \$60 to \$70 from its next

turning point: and you'll find full price projections for all key nictals and currencies in this important

study—gratis, of course to interested investors and speculators who want to know more alout growth programs

which can be undertaken from the soundest and fastest-growing of offshore financial centers. Complete

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INTERNATIONAL LTD. 920 930 950 952 950 970 990 999 1,060 1,020 995 1,010 1,010 1,040 1,025 1,045 SUG/ Mar May Jul Aug Oct Nov Dec Mar 160 lots.

Zurich

1,045 2,600 1,455 1,035 2,155 545 6,525 3,170 1,610 329 2,425 2,930

Alusursse Buehrle B Baveri Clb Gelgy Cr Sulsse Fisher HotRochN Nestle Sandoz Ste B. Suisse Sulzer U.B. Suisse

Paris Commodities

(Figures in French francs per metric ton)

1.838 1,884 1,895 N.T. 1,890 N.T. 1.830 1,847 1,861 N.T. 1,890 N.T.

1,830 1,844 1,866 1,867 1,876 1,880 N.Q. N.Q. 1,877 1,885 1,777 1,785

TENDER NOTICE

GOVERNMENT OF JAMAICA FOR AND ON BEHALF OF THE ARIGUANABO COMPANY OF JAMAICA LTD.

INVITATION TO TENDER N° A1/78 (LOOMSTATE) FABRIC FOR PROCESSING, DYEING AND FINISHING

1. The Government of Jamaica, acting for and an behalf of the Ariguanaba Company of Jamaica Ltd., hereby invites tenders for the supply of approximately 3.7 million yards of loam-state polyester/cotton (65%/35%) tabric for processing, dyeing and finishing.

The purchase is to be financed by De'Naderlandse Investeringsbank voor Ontwikkelingslanden NV, as a part of the Netherlands Government Program of Technical & Financial Assistance to the Government of Jamaica.

Copies of the complete Invitation to Tender Document, specifications of the required fabric, may be obtained from

recifications of the required fabric, may be obtained from The Managing Director, Ariguanaba Company of Jamaica, Ltd., P.O. Box 9, Spanish Town, Jamaica (Telex n° 2153 ARITEX JA).

Tenders will be required to reach the Managing Director of the Ariguanaba smoonly of Jamaica Ltd. at the above address not later than Decement 14th, 1978. They will be opened at 2:00 p.m. Eastern Standard Time, on Decement 15th, 1978, at Ariguanabo's offices. The successful tenderer, if any, will be formed by telecommunication shortly thereafter.

London Metals Market (Figures in sterling per metric fon) (Silver in pence per troy ounce)

November 28, 1976 J months
Cathodes: spot
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Tin: spot
J months
Lead: spot
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Lad: spot
J months
Sinc: spot
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Silver: spot
J months

Financial Consultants DAVIC ASSOCIATES
DAVIC ASSOCIATES
DESCRIPTION OF 100.22
ALBERT M. ZLOTINOX. 217 F58-8100

London Commodities (Figures in sterling per metric ton) November 29, 1978 SUGAR
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Aug 11
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67 336
11. 9 26 936
5.2 4 1 13.
9.4 9 383 154
7.6 6 133 344
8.9 7 67 24%
9.0 2729 40
9.3 210 111
8.6 24000 91
2.6 9 284
2.7 8 122 36
1 2.7 8 129 294
9.1 6 9.3 264
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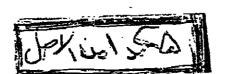
Chise
12 Month Stock Sis. Close Prev
High Low Div. In \$ Yld. P/E 100s. High Low Quot. Close

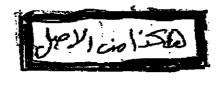
Sales figures are unarticla?

d—New yearly low, o—New Yearly high.
Unless otherwise notes, rates of dividends in the foregoing table are annual disbursements based on the tost quarterly as semi-annual declaration. Special or artra dividends or payments not designated as regular are identified in the following footnates.

a—Also extra or extras. b—Annual raise plus stock dividend.
c—Liquidating alvidend. e—Declared or toold in preceding 12 months. I—Declared or pold offer stock dividend or split-up. I—Poid this year, alvidend amilited, deferred or no action before at last divident meeting. k—Declared or pold this year, alvidend dividends in grears, n—New issue, r—Declared or poid the preceding 12 months also stock dividend, the Poid in stock in preceding 12 months also stock dividend, the Poid in stock in preceding 12 months. estimated cash value on ex-dividend or ex-distribution date.

x—Ex-dividend or ex-rights, y—Ex-dividend and sales in full.





INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, NOVEMBER 29, 1978 **AMEX Closing Prices November 28** onth Stock Sis, Close Prev Low Div, in S. Yid. P/E 100s, High Low Qual, Close 12 Month Stock Sis. Close Prev High Low Div, in \$ Yid. P/E 100s. High Low Quot. Close 16 % Ve
17 % Ve
17 % Ve
17 % Ve
17 % Ve
16 % Ve
17 % Ve
18 % V 9½ BrooksP .4 1 BrownCo wf 1½ BrnFA .92 1½ BrnFB .92 8½ Buell .44 3½ Buildes: 1½ Burgess 8½ Surhsin :60 1014 11/2 2914 2916 1314 31/2 21/6 91/2 3% % 2% + 16 114 - 14 976 876 474 + 16 175 + 16 276 - 16 175 + 16 275 - 16 375 + 16 375 + 16 375 + 16 1333 1333 1815 14 5 12% - ½
7% - ½
15 - %
15 - %
16% + ½
16% - %
16% - %
4
21% - %
81% - %
15% - %
15% - % #% Soopt pt.#2k
7 Secsnati 20 2.1 15
21/2 SecMig
1-32 SecMig wi 296 11-16 BRT
696 134 STU
159 9 Bodger 70
476 1 Baker 20e
34 1878 Baldor 28
3784 1518 Banfol 1,11e
414 14 Bangor wt
1134 7 Bankst A0
21/2 14 Barclay
476 24 Barcoco .12
11 31/2 BarnesE
123/2 476 Barrox 20b
976 33/2 Barnes 20b
976 33/2 Barnes 20b
14/4 11/2 Barveck
31/4 2 Belscirk
1776 978 Brifst A 40
19 978 Brifst A 40
19 978 Brifst B 40
21/4 13/2 Beverly
1378 8 Bernau
24 18/2 Bernau
25/4 18/8 Bickford .05e
26 15/8 Binkall 1b
25/4 84 Biocant 48
25/8 14/8 Body
24 10/4 Bowne 48
25/8 13/4 Browne 48
25/8 13/4 Browne 48
25/8 13/4 Browne 48
26/8 13/4 Browne 48
27/8 Brifst A 20
21/4 10/4 Brifst A 30
21/4 13/4 Browne 48
24 11/4 10/4 Brifst A 30
21/4 17/4 Browne 20
21/4 17/4 10/4 Brifst A 30
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21/4 17/4 Browne 20
21/4 17/4 10/4 Brifst A 30
21/4 17/4 Brifst A 30 19-19 SENBASC 5 SEMICH 414 STVISCO 874 SetonCo 374 Shoers A 512 ShelfrR 2014 ShelfrR 2014 ShenonO 19 Showbt 1114 Sierrcin 814 Sierrcin 4%
4 14%
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16% 2014 6814 1316 1734 744 114 1676 11 4 14% 17 3½ 25% 16% 16% 12% 26% 8 6% 3 7% 4½ 14% 10% 376 14% 17 3½ 2% 16% 11% 9% 4 16 11% NEW YORK, Nov. 28 - Cash **U.S. Commodity Prices** ICED BROILERS
36,000 lbs.; Cents per
Dec 42,10
Jon 44.45 prices in primary markets as regis-tered today in New York were: 215.50 215.50 210.00 211.00 —4.70 219.50 220.00 214.00 214.90 —4.90 223.70 223.70 219.00 218.60 —5.90 225.00 225.70 221.50 222.40 —5.00 225.00 225.70 221.50 222.40 —5.00 236.00 231.00 223.00 224.20 —5.00 236.00 236.00 231.50 230.20 —5.00 187,00 187,40 180,05 180,25 --7,15 187,00 187,40 180,05 180,25 --5,05 180,25 --5,05 180,25 187,25 --5,00 185,25 187,25 18 Est. sales: 25,000; sales Mon. 22,308. 274.76 50-51 0.32 60% 6.19158 30% 4.700 159.20 7% 10% 12% 12% 12% 12% 15% 87% 15% 87% 15% 87% 15% 4% 5 4% 5 4% 5 4% 66% 11% 66% 66% CHICAGO FUTURES November 28, 1978 ents per lb.
115.90 116.40 115.20 115.25 —0.45
117.30 117.50 116.45 116.50 —0.50
117.90 118.10 117.35 117.30 —0.25
119.20 119.20 118.30 118.30 —0.15
120.00 120.00 118.90 119.30 —0.40
113.00 113.00 113.00 113.00
113.00 113.00 113.00 113.00
106.50 107.75 106.50 107.75 Gold N.Y., oz., **NEW YORK FUTURES** Sales Mon. 12.181. Interest Mon. 48,709, up 111 from COTTON, 58,808 lbs., MAINE POTATOES Mits per Ib. 142,75 142,75 140,75 142,05 +0,55 134,00 138,00 131,40 135,60 +1,36 130,00 131,25 128,50 130,78 +0,75 124,75 128,75 125,75 128,13 +1,05 125,50 127,50 128,00 128,38 +1,25 120,00 124,90 124,00 124,90 +3,90 64.95 65.85 65.85 65.80 67.25 67.35 68.50 68.60 68.75 69.80 71.00 70.90 72.10 72.20 73.85 73.40 74.40 74.20 75.50 75.00 -0.55 -0.60 -0.60 -0.60 -0.60 -0.55 -0.55 -0.55 PIS. 04 100 PCI.
90.71 90.82
90.55 90.60
90.52 90.60
90.66 90.72
90.77 90.85
90.86 90.92
90.93 90.96
90.93 90.98 MET BIS.
6.371/2 6.63 6.64 6.387/2 6.751/2 6.764/2 6.83 6.841/47.70 6.86 6.871/46.473 6.86 6.871/46.687/2 6.581/2 6.571/26.687/2 6.581/2 6.571/26.687 6.687/2 6.581/2 6.571/26.687 6.687 6.585 -2% 6½ 10% 2% 9% 14— % 44 64— % 16+ % 54+ % 31/4 Tredwy _20 71/2 TriSM _60 1734 776 Triacco 1.5 1.1 9 37 1576 14
1834 234 TunnrC 1.80 67 8 18 2576 2694
354 234 TunnrC 1.80 67 8 18 2576 2694
354 234 TunnrC 1.80 67 8 18 2576 2694
354 154 UNA 1.00 1.8 4 1 276 294
155 414 UNA 1.00 1.8 4 1 276 294
156 44 UNA 1.00 1.8 4 1 276 294
157 444 URS 32 5.1 7 27 64 644
157 444 UNIMOUS 7 6 6 6 584
16 94 UAINPO 500 4 8 4 13 13
3-16 1-64 UnBrd wt 7 6 6 6 584
16 194 UAINPO 500 4 8 4 13 13
3-16 1-64 UnBrd wt 8 1 1-64 1-64
376 114 UNACCP 1 1 576 646
376 154 UNICP Pt 1 576 646
174 94 USFillir 32 28 7 65 111/2 119/2 11 1214 OSullyn .80 5.6 5 2 114 OxfordFt 10 316 OzorkA .15e 2.7 4 51 SUGAR NO. 11 112,800 lbs.; cents per lb. Mar 8,45 8,59 Mar 8,673 Jul 8,99 8,59 Sep 9,21 9,21 Oct 9,32 9,32 Mar 9,86 9,86 7% Goran Ste
2% Garland
8% GatLiet A0b
2% Gaylard Jose
2% Gorlen DSe
2% Genes
2% Gen 992— 16 2678+ 76 416 372 276- 16 614+ 16 32 1-64 13 1-64 145- 16 272- 18 116 774- 18 176- 16 176 Est. sales: 14,000; sales Mon. 6,874 8,42 8,65 8,91 9,19 9,27 9,83 Total open interest Mon. 51,858, off 126 from Wed. 8.47 8.49 8.92 9.16 9.29 9.85 Total open interest Mon. 60.072, off 836 from Fri. | Part | 15th POEPH | 15th | 1 COVREAN MEAN MEAL 184.50 184.50 181.00 181.50 -2.60 184.50 184.50 181.00 181.50 -2.60 184.50 184.50 184.50 -2.50 186.50 184.50 184.50 184.50 184.50 185.10 -2.70 185.50 186.50 184.50 184.20 -1.60 186.50 184.50 184.50 184.50 184.50 184.50 184.50 184.50 184.50 184.50 184.50 184.50 184.50 184.50 184.50 -1.70 186.10 184.50 183.50 184.50 -1.50 180.00 180.00 178.50 178.50 -1.50 180.00 180.00 178.50 178.50 -1.50 180.00 180.00 178.50 178.50 -1.50 180.00 180.00 180.00 178.50 178.50 -1.50 MYSILVER 99-20 89-20 89-12 89-17 89-23 89-23 89-24 89-23 89-24 89-24 89-24 89-25 89-26 89-27 T cants Per G2

- 00400 60400 598.00 599.60—14.70

607.00 607.00 594.50 594.30—13.70

613.00 614.00 600.00 600.50—13.00

620.00 622.00 607.50 608.20—12.40

628.00 628.30 618.00 616.70—13.40

638.50 638.50—257.00 628.20—10.60

648.00 648.00 638.50—638.50—10.00

651.50 651.50 648.00 643.80—9.00

661.50 662.00 657.00 653.30—9.30

661.50 679.50 678.20 672.60 —8.30

679.50 679.50 678.20 672.60 —8.30 Est. sales: 2,175; sales Man. 5,638. n Interest Mon. 30,462, up 284 from **Market Summary** NYSE Most Actives Total open interest Mon. 64,988, up 436 from Est.sales: 35,000; sales Mon. 16,716 open Interest Man. 68,392, up 394 from OIL deliars per 100 lbs

24.15 24.25 24.00 24.07 — .10

24.40 24.58 24.21 24.27 — .11

24.55 24.70 24.30 24.32 — .18

24.45 24.55 24.20 24.27 — .14

24.40 24.55 24.20 24.27 — .15

24.40 24.30 24.30 24.10 — .15

24.40 24.30 24.30 24.10 — .15

24.40 24.30 24.55 23.25 — .25

22.45 22.45 23.25 23.25 — .25 Sales Close Che Seles Close Chp.

314,700 6472 —279.

227,200 12 —2

227,200 13 —1

214,200 74

214,200 50 — 16

197,300 68 —214

197,200 896 — 78

187,200 5574 —1

187,200 2215 — 3

148,400 1576 —1

148,400 1576 —1

148,5100 2196 —1

148,5100 2196 —1

148,5100 2296 —1

148,5100 2196 —1

148,5100 2196 —1

159,800 23 —244 -27s -2 -1 Boeins
Con Frisht
McLeonTr
Sony Corp
Exton
Poloroid
Romado In
Gen Motors
House Fin
Beckman n
Texoco Inc
Occiden Pet
Bolly Mig
Sears Roeb
CoesarsWid PLATINUM SS trey ez.; d Jen Apr Jul Oct Jen Apr Jul 12/2 2/2+ % 11/4- % 26/4- % 19/2+ % 5/2+ % 5/4- % 13/4- % 8%+ % 4/4- % 12/4- % 12/4- % 18/2+ % 18/2+ % 9912 1 47 7 43 6 14 48 22 409 12 109 42 26 63 64 10 11 62 7 2 5.1 R 1 5.2 7 2 5.1 R 1 7 3 13 13 19 5 77 IMM Futures Open High
SWISS FRANC
Dec 0.5775 0.9220 b
Mar 0.5715 0.9220 b
Mar 0.5115 0.6125 b
Sept 0.6230 0.6236 b
Dec 0.6403 0.6433
GUILDER
Dec N.T. N.T.
Mar N.T. N.T. 0.5775 0.5785 — 0.0035 0.5932 0.5955 — 0.0025 0.6105 0.6116 — 0.0025 0.6258 0.6270 b — 0.0025 0.6403 0.6422 b — 0.0017 Sales Mon. 11,656. Est. scies: 1,5/5; sales Man. 1,421. GUILDER

Dec N.T. N.T. N.

FRENCH FRANC

Dec 0.2266 0.2266 0.2266

Mor 0.2277 0.2272

June 1350 5105 5125

June 1350 5105 5425 5425

June 1350 5405 5425 5425

June 1350 5405 5425 5425

June 1350 5406 5340 5340

Sept 5435 5435 5425 5425

Dec N.T. N.T. N.T. S815

Initial 0.00 omitted

STERLING

Dec 1,9410 1,9495 1,9410 1,940 b + 0.

Mor 1,8715 1,9380 b 1,9325 1,9320 + 0.00

Mor 1,8715 1,9380 b 1,9325 1,9320 + 0.00

ASSEMBLING Dec 1,9410 1,945 1,9410 1,940 b + 0.

ASSEMBLING Dec 1,9410 1,945 1,9410 1,9420 + 0.00

CANADIAN DOLLAR

Dec 0,8575 0,8552 0,8553 0,8515 + 0,0012

June 1,8575 0,8552 0,8553 0,8515 + 0,0012

June 1,8575 0,8552 0,8553 0,8516 0,8515 + 0,0012

June 1,8575 0,8552 0,8553 0,8510 0,8515 + 0,0012

June 1,8575 0,8552 0,8553 0,8510 0,8515 + 0,0015

Dec 1,8575 0,8552 0,8553 0,8550 0,8550 0,9500 Mon. 55,570, off 1,676 oen interest Mon. 8.857, UD 93 from Total Fri. GOLD Dec Jan Feb Apr Jun Aug 1.29 1.42 1.50 1.50 1.55% Teday NYSE Ciose 22.74 524 4.75 877 15.09 442 1,843 10 Prev. riienw Cless 22,99 837 10,15 629 4,73 4,73 4,852 1,852 35 nerbu. 1.30% 1.25 1.25%--0.5% 1.43% 1.36% 1.36%--0.4% 1.51% 1.46% 1.46%--0.4 2 1.54 1.50% 1.50%--0.3 2 1.56 1.54% 1.54%--0.1% 79 0000 2211 20 192.00 192.60 --4.00 194.50 197.70 194.50 197.70 194.50 194.50 194.50 194.50 194.50 194.50 195.50 /olume (in millions) kdyonced valume Up (in millions) Declined valume Down (in millions) International LIVE BEEF CATTLE Stock Indexes F CATTLE
cetths per ib.
57.70 58.20 56.65 57.07
57.80 58.22 54.70 57.40
57.25 57.70 57.81 58.05
60.25 60.90 57.05 57.45
61.30 61.25 60.55 61.12
61.37 61.80 60.15 60.70
61.37 61.82 60.15 60.60
62.35 62.47 61.50 61.52
62.85 63.40 62.85 63.40
62.80 63.10 62.25 63.40 Dow Jones Averages 1974
Prev Hight
100.00
100.00
100.10
119.79
154.11
164.40
533.50
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243.01 Low 95.60 94.94 141.16 433.60 205.42 55.45 78.10 441.19 364.94 3,867.91 289.50 Yest 90.00 109.30 155.92 489.90 244.23 70.00 118.71 521.09 440.71 5.945.25 299.50 Low Close 802.67 804.14 210.65 211.87 99.39 99.90 273.71 274.66 Amsterdam Brussels Frankfurt Landon 30 London 509 Milan Ports Sydney Tokyo (n) Tokyo (o) Zurich NYSE Index Close 53,13 57,92 42,12 38,23 55,21 Low 53.13 57.92 42.12 38.23 55.21 (n) new (e) old FEEDER CATTLE CATTLE counts per lb.

74.92 75.70 74.92 74.70 — 15
75.15 75.80 75.90 74.80 74.70 — 52
74.60 75.00 74.80 74.20 — 45
74.65 74.65 73.20 73.85 — 45
74.65 74.90 75.20 73.85 — 45
74.30 74.90 75.20 74.90 — 46
74.30 74.90 75.20 74.00 + 30
74.75 75.10 73.90 74.00 + 30 Jan Mar Apr May Aug Sep Oct Nov Eurocurrency Odd-Lot Trading in N.Y. Tuesday's **Interest Rates** Shares Buy 116,794 84,765 78,730 114,550 131,363 Short 2,243 1,270 1,607 1,336 1,884 15 ftg-Sales 245,390 145,338 209,073 228,105 242,795 Dellar D-Mark
11 15/6—12 1/16 3 % — 3 %
11 7/6—11 9/16 3 % — 3 %
11 13/6—11 15/16 3 11/16—3 13/16
12 1/16—12 3/16 3 % — 4
11 %—12 41/16—43/16 New Highs and Lows Soles figures are unofficial d—New yearly law, u—New Yearly high.
Unless otherwise noted, rates of dividends in the taregoing table are annual disbursements based on the last quarterly or semi-termual declaration. Special or extra dividends or payments not designated as regular are identified in the following factnates. 1 M. 2 M. 3 M. 6 M. 1 Y. NEW HIGHS-18 Est. sales: 3.013; sales Mon. 2,214 Mailory Oakind wi ReyMet pfA Total open interest Mon. 20,246, up 219 from Wed. Swiss Fronc Por — 14 14 — 14 5/16 — 7/16 9/16 — 11/16 1 % — 1 1/2 Sterling 13—13 ¼ 13 ½—13 ¾ 14—14 ¼ 14 ¼—14 ½ 14 ¼—14 ½ LIVE HOG 38,600 lbs.; Dec Feb Apr Jun Jul Aug Oct Dec Feb S contis per ib.
\$1.00 \$1.52 \$2.20 \$2.72 - .50 \$3.75 \$4.30 \$2.50 \$2.72 - .50 \$3.75 \$4.50 \$4.45 \$4.50 - .55 \$1.92 \$9.50 \$5.172 - .76 \$4.55 \$4.60 \$4.62 \$4.75 \$4.55 \$4.60 \$4.62 \$4.75 \$4.55 American Most Actives HanJim See Indin 1.886 Intricke Inc Kochrs pffi McLeum'r NorNot Gas OhEd 2.266 OhPow 1.466 OhPow 1.466 PocA IncSh PSEG 1.406 PSEG 418pf
RityRafTr
SingerCo pf
Sou Pac
Square D
StdBrand pf
StOOh pfA
UMET Tr
UVin 1.25pf
UnEl 3.50pt
VoEP 8.84pf Berd CR Beckman in CompRd Lk Chern NY Cing 9.30pf ClevCliff Conti Group CrockNi 3pt Duq 2.31pr Equifax Inc Goodrich Sules Cinde Ch.
140,000 2814 — 284
108,700 2
105,600 1244 + 14
48,400 4644 — 344
42,000 114 — 14
58,600 1814 — 14
54,500 1314 — 14
44,800 1414 — 34
40,900 314 — 34 a—Also extra or extras. b—Annual rafe plus stock dividend, c—Llevidatine dividend, e—Declared or solid in preceding 12 months. i—Declared or solid other stock dividend or solid un. Pold this year, dividend smitted, deferred or no oction taken at less divident meeting, k—Delcared or pold this year, an accumulative issue with dividends in arreors. n—New Issue, r—Declared or solid in stock in preceding 12 months plus stock dividend. t—Pold in stock in preceding 12 months, estimated cosh value on excluding or exclusively and recording to a collection of exclusively dividend. Champ Ho
HarizMt Cp
Amdohi
Instrum 5ys
Systex Corp
Bowyotley
LoewsTh wt
HouOilM
GiBas Pet Tokyo Exchange Price
Yes
38 Autsu E. Wks
447 Aktisub Hvy Ind.
915 Aktisub Corp.
288 Aktisub Corp.
289 Aktisubshi
243 Aktisubshi
243 Aktisubshi
243 Aktisubshi
243 Suny Corp
280 Sunitomo Bonk
1,160 Tolisho Atorine
453 Telih
362 Tokyo Marine
267 Tokyota November 32, 1978 Price Yen 581 122 422 298 604 272 441 1,560 200 248 455 131 174 279 Asoni Gloss
Conon
Dei Nip. Print
Full Benk
Full Photo
Hituchi
Honde Meter
C, Hoh
Jopen Air L.
Konsol El. Pyr.
Koo Soop
Kirin Brevery
Komatsu
Kubate
Metsu Et, Ind. x—Ex-dividend or ex-rights, y—Ex-dividend and sales in full, 2—Sales in full. Total open interest Mon. 20,871, off 641 from Wed. Teday AMEX Close 278 244 0.40 372 1.40 233 849 4 Prev. stionw Close 2,64 306 0,89 265 1,13 243 816 10 PORK BELLIES **DM Net Reserves Off** Aug 66.00 66.10 63.00 64.40 -1.73 FRANKFURT, Nov. 28 (AP-DJ)

Net central currency reserves of
the Deutsche Bundesbank declined
1.5 billion DM in the third week of
November to 101.8 billion DM, the Volume Up (in millions)
Declined
Volume Up (in millions)
Declined
Volume Down (in million
Unchanged
Total Issues
New 1978 highs
New 1978 or Indiag current weak, but not the letest trading day.

Where a split or stack dividend amounting to 25 per cent or more has been poid the year's high-low range and dividend are Est. sales : 7,251 ; sales Mon. 6,705. Bundesbank said in its weekly Total open interest Man. 11,830, up 619 from Close 147,44

CROSSWORD.

By Eugene T. Maleska

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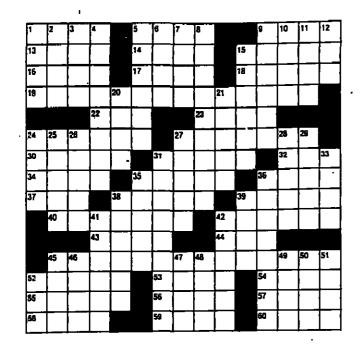
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11-29

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Cloudy Cloudy Fair Clear

- 43 Pulitzer Prize novelist: 1958
- "Some born great . . ." 45 Typical game of the early Mets 52 Inert gaseous
- element 53 Rainbow flower 54 Elevator button 55 Word with ocher or umber
- 56 Leningrad's river 57 "—, Brute!" 58 "... take arms against ---- of
- troubles" 59 One checking out 60 Word with pigeon or parrot DOWN
- i Moselle feeder 2 Jason's craft 3 Watch part 4 Breed of hardy cattle
- 6 Between once and a time 7 World's largest artificial lake

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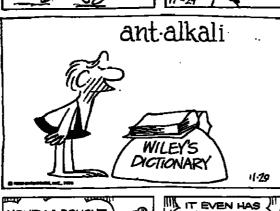
I DON'T UNDERSTAND YOUR QUESTION, CHARLIE BROWN ... WHY SHOULD I HAVE SELF-DOUBTS?

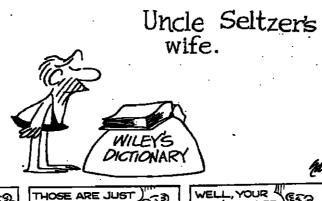


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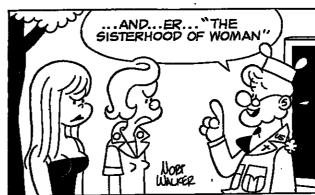
























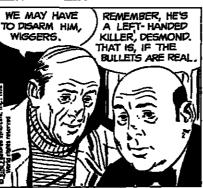






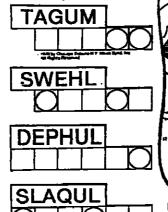








JUMBLE THAT SCRAMBLED WORD GAME by Henri Arrold and Bob Lee Unscramble these four Jumbles one letter to each square, to form



four ordinary words.

VERY FINE WOOD WAS IN EVIDENCE Now arrange the circled letters to torm the surprise answer, as sug-

gested by the above cartoon.

Print answer here: []]

(Answers tomorrow) Jumples: KHAKI DUMPY UNSEAT ENTITY Answer: What the captain of the ark said he had no shortage of—"MATES"

Imprimé par P.I.O. - 1, Bd. Ney Paris 75018

DENNIS THE MENACE



WHERE WOULD WE PUT IT? IT'S TOO BIG TO 60 IN THE GARAGE.

BOOKS

PSYCHOANALYTIC POLITICS Freud's French Revolution By Sherry Turkle. Basic. 278 pp. \$12.50.

Reviewed by Anatole Broyard

PSYCHOANALYSIS, appeared in France at about the same time that the tango did. Both were rejected as morally shocking and foreign to the French character. How could anyone teach a Frenchman savoir vivre? Bourgeois life was as much a monument as Chartres Cathedral.

After the revolt of the students and the working class in May 1968, the French began to suspect that the typical bourgeois life bore an uncomfortable resemblance to a neutratic defense mechanism. Like neurotic defense mechanism. Like Americans after the Vietnam War, Frenchmen underwent a deconversion. They fell out of their faith in savoir vivre and took

up the psychoanalytic tango.
In "Psychoanalytic Politics,"
Sherry Turkle traces this evolution with wit and determination. She be-gins by pointing out that although Americans watered down Freudian doctrine, the French added their own peculiar fizz to turn it into

champagne.

It was not, Miss Turkle says, until the French discovered "an indigenous heretic" in the person of Jacques Lacan that they fully accepted psychoanalysis. And defined by Lacan, analysis is not a therapeutic, but an interpretive discipline. And it has more than a bit of Surrealism, for Lacan was once a member of this group and seems to have retained some of their taste for theatricality and mystification.

Militantly Antibiological

Miss Turkle describes Lacan as militantly antibiological, translating Freud's anatomical references into symbolic ones. Fathers are the custodians of symbolism, intruding the language of gender and of society into the cozy mother-child duality. When the child accepts the father's name, or nom, and his "no." or non, he is socialized.

It is one of Lacan's dictn that "the unconscious is structured as a language." The system of significations implicit in language consti-tutes a journey that "decenters" the ego. Because language "talks to itself," Lacan advises young psychoanalysts to do crossword puz-

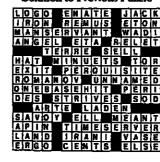
In researching "Psychoanalytic Politics," Miss Turkle talked at length with Lacan, who dominates the French scene even more than Freud did Vienna, and with 150 other French psychoanalysts. She shows tact in keeping a straight face while discussing some of the more obscure aspects of the French infatuation with Freud - or with their Freud, as Lacan is sometimes

For the French Freud, the demand of the analyst is a "pure desire," an "intransitive" yearning for clarification, not cure. The decision to become a psychoanalyst, in Lacan's view, is analagous to the act of becoming a poet. In place of the rigid training of the classical Freudian analyst, Lacan suggests that only the disciple himself can say when and how he is to become qualified as a practicing analyst. Psychoanalysis is seen as a calling rather than a profession.

Shortened Hour

Lacan is concerned about maintaining the "subversiveness" of psychoanalysis, to keep it from becoming a form of soothsaying that bends or adapts people to society. One of his most talked about techniques of subversion is the shorten-

Solution to Previous Puzzle



ing of the 50-minute hour to thing to between 3 and 15 min Subversion, as some critics a out, never seems to involve ening the contact between

and analyst · Psychoanalysis is so popul France now, Miss Turkle says, there is a popular radio pro-devoted to "collective" press It is considered thic to be any and people are known to about whether their cases are teresting enough to interest an

Unfortunately, there are no a rent case histories in "Psychon lytic Politics," and one wishes for concrete example of Lacanian pa tice. Quotations from him are a talizing and confirm Miss Tudi observation that Lacan appear feel that opacity of utterance tores the distance between and patient whenever it is insided by enthusiasm.

iled by enthusiasm.

Americans had an opportunity hear Lacan with their own a when, in 1975, he appeared in N York, New Haven, Ct. and Ct. bridge, Mass. At the Massachus Institute of Technology, in and to a question about the relations tween interior and exterior. La stated that he was not at all centers. stated that he was not at all cen that man had an interior. The a evidence he could adduce for the interior was his excrement went on to say that the characte tic of a human being is that he encumbered with his excrement

It is a very French metaphor, is a metaphor, and like much es "Psychoanalytic Politics." it is ny and provocative, in both so of the word. Miss Turkle's boo a brilliantly staged fashion show French emotional and intelleclife. Or, as Lacan might say, it is discourse close to delerium

Anatole Broyard is a book revie for The New York Times.

Best Sellers

The New York Tunes This list is based on reports from more 1,400 bookstores throughout the United S Weeks on list are not necessarily conseasi

FICTION

PRELUDE TO TERROR, by

TO GARP, by John Irving.. WALKED OUT, by Harry NONFICTION

MOMMIE DEAREST. by Christina Crawford

A DISTANT MIRROR, by

3 AMERICAN CEASAR. by William Manchester.
4 IF LIFE IS A BOWL OF CHERRIES-WHAT AM I DOING IN THE PITS', by Erna Bombeck.
5 IN SEARCH OF HISTORY. by Therdore White.
6 THE COMPLETE BOOK OF RUNNING. by James F. Fixx.
7 GNOMES. text by Wil Huygen, illustrated by Rien Poortvilet.
8 PUILLING YOUR OWN STRINGS, by Wayne W. Dyer.

Schlesinger

12 A TIME FOR TRUTH, by
William E Simon

13 THE COUNTRY DIARY OF
AN EDWARDIAN LADY,
by Edith Halden

Ann Landers

15 WERNER ERHARD, by Wil-

BRIDGE

By Alan Trusco

The diagramed deal created a most unusual bidding problem.

North was surprised to hear his suggested by the bidding and pla: right-hand opponent bid one heart, but passed calmly, the standard move when the enemy bids a suit in which you have length and strength. He was delighted when his partner reopened with a takeout double, for a fat penalty seemed in prospect. But the dream became a nightmare when West now bid two diamonds. What could

he do now?

Two hearts was a possibility, showing a desire to play in hearts in spite of the opening bid, and so was two spades, aiming to play a probable three-two fit. But he prelerred a cautious pass, which was certainly not wrong.

North was happy to hear South bid three clubs, and had another problem at this point. He had a good hand, and had done nothing but pass. The raise to five clubs was an intelligent move, and took the partnership to the best game con-

tract. West led the heart jack, and South played heart winners from the dummy, throwing two spades from his hand. He played the third heart winner, expecting a ruff. But East did not want to jeopardize his potential trump trick, so he parted with a spade.

South threw a diamond and then had to make a key play: he entered

It was then an easy matter to st render a diamond, ruff a diamon high in the dummy and pick " East's trumps with a finesse. It spade ace was the second and la trick for the defense.

Notice the difference that the trump lead made at the four trick. If South had led diamonds once, the defense could have cor tinued the suit, giving dummy the lead for the last time before the trump situation was clarified.

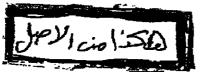
NORTH **♦762** ♥AKQ653 **+1086** EAST WEST (D) **♦984** ∇42 **◆AJ5** ♥**J**]0987 0 K 1074 OAQ986 **♣**J752 SOUTH **◆KQ103**

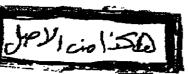
↓ 7 53 4 A K Q 9 4 3 North and South The bidding:

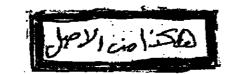
Pass Pass 10. Pass

Pass Pass West led the heart lack.









Reds Dismiss Anderson as Manager

TINCINNATI, Nov. 28 (UPI) — le Cincinnati Reds today fired Non the Cincinnation Reason, who led anager Sparky Anderson, who led e team to World Championships 1975 and 1976, and replaced him

th John McNamara, the former the John McNamara, the former larthern anager of the Oakland A's and larthern anager of the Oakland A's and McNamara, a coach with the larthern larthern and fillifornia Angels last season, was a coach with the larthern larthern and generative larthern larthern and generative larthern lart

manager. Dick Wagner, flew to manage which do the inderson will be paid for the spile of the part of his three-year contract. In the three has a spile of his three-year contract. In the three has a warner said. "Our club

he there there was set one." Wagner said. "Our club made to make the setty one." Wagner said. "Our club made to make on in 1975 and 1976 and by that I make the past two years

training the have made is in the best overall than the plant of making the Reds a better than the green sparky Anderson served that the best well. I don't want to get into the action of the process with regard to the move attained to the move

e made.

Late made "Lor's just say it's time for a main with the hange and just as in 1970, when have been the 10- had less situation may have been the In the the head of the stuation may have a state over the day of the head of t of lections on calls for a new approach."

By Rob Hughes

ne first black player to represent

ngland at full international level.

Anderson said that he did not al League pennants in 1970, 1972, a final decision. Now, Pete will go want to tell of his firing because "I 1973, 1975 and 1976. on and negotiate with other had taken an oath" not to mention it until the Reds did.

than anything else. "It was a decision made by the

front office. That's all I want to ond to Los Angeles in the National say. It's furmy, I feel a little bit now like I did when I first got the Reds' in a row. job as manager, a strange tingling sensation. I have a great feeling for the players, the club and the organization.

Anderson said that he has no further baseball plans. "All I am going to do now is play golf," he said.

Wagner said that only two members of the six-man coaching staff

— Ron Plaza and Russ Nixon — standard he respined

would be retained. Wagner said that pitching coach Larry Shepard, batting coach Ted Kluszewski and coach George Scherger have been offered jobs in the Cincinnati organization and that third-base coach Alex Gram-

Won 5 Pennants

mas, a close friend of Anderson's,

had been fired.

Anderson took over the Reds in 1970 after joining the Cincinnati organization in 1968 as manager of the Class AA culb in Ashville, N.C. junior to win the award. He managed the Reds to Nation-

great sportsmen, all proud.

106-Year Wait

torical significance.

The Reds defeated the Boston Red Sox in the 1975 World Series "The thing about me I'm proudest of is my honor," Anderson said.
"I came to the Reds with it, I want to leave with it. The game is bigger than accurate a leave with a leave with it. The game is bigger than accurate a leave with the same is bigger than accurate a leave with the same is bigger than accurate a leave with the same is bigger than accurate a leave with the same is bigger than a leave with the same is bigger to the same is bi in 45 years.

The Reds in 1978 finished sec-

Talks With Rose End

CINCINNATI, Nov. 28 (UPI) - Pete Rose's split with the Reds has become official with the breakdown of final talks with Wagner. Rose's agent, Renven Katz, said: "Wagner wished Pete well and Pete wished the Cincinnati Reds well on and negotiate with other

The 37-year-old third baseman. who has never played anywhere but Cincinnati, said he hopes to pick his new team by the time the annual winter baseball meetings begin Dec. 4.

In the recent free-agent draft, Rose was named by 12 teams interested in signing him. He has refused to name any "frontrunners" in the bidding but he has dropped some hints. The New York Yankees and

Texas do not seem too interested,

he said, but "Atlanta gave me a tre-

mendous offer," and Pittsburgh's owner, John Galbreath, has invited him to his farm to discuss a con-

Also interested are St. Louis, and that's the end of the negotia-tions with the Cincinnati Reds. It's and Los Angeles. Philadelphia, the New York Mets



Sims Captures Heisman Trophy

NEW YORK, Nov. 28 — Billy Sims of Oklahoma, the leading quarterback; Rick Leach, Michi-Trophy as the outstanding player in versity of Southern California. the country. He was only the sixth

Sims received 151 first-place In voting so close that a recount votes, 152 second-place votes and

rusher in college football, today gan's quarterback, and Charles votes, 12 more than Sims, but only was named winner of the Heisman White a running back for the Uniplace ballots for 750 points

Then came a large drop to Leach, whose totals were 39-58-52 for 435 points. White's totals were 37-74-98 for 354 points.

The 6-foot, 205-pound wishbone pound skill in English soccer. From his unforgetable televised debut as tailback was bothered by injuries until this year, when, among other accomplishments, he tied an NCAA record with three consecutive games in which he ran for more than 200 yards. His best was 231, - I have been convinced of Cunn- against lowa State, and was folingham's right to the ultimate hon-or. lowed by 202 against Kansas State and 221 against Colorado. He fin-

> "Thank you, I appreciate it," Sims said when he was informed by telephone that he was the Heisman winner. Then he added, "My heart stopped beating."

> > Good Long Thrower

Fusina, a senior quarterback, was regarded as an excellent field leader on the first Penn State team to be named No. 1 in the nation at any time in a season. His career totals were 359 completions on 645 passes for 5,275 yards and 37 touchdowns. He started 30 games (including 2 bowls), of which Penn State won 27 and lost 3. Although erratic at times, he was rated probably the best long passer in the

Rounding out the top 10 Heisman finishers were Charles Alexander, a Louisiana State running scious of color he bought American back, with 282 points; Ted Brown, points, Eddie Lee Ivery, a Georgia Tech running back, with 81 points, Jack Thompson, Washington State's quarterback, with 72 and Jerry Robinson, a UCLA linebacker, with 70.

when Notre Dame's Paul Hornung edged Tennessee's Johany Majors to realize her obligation to players by 72 points. Fusina carried three of the six sections into which Heishowever, she might more fairly man voting is divided, have shared the load of history be-

Although the actual sectional voting was not announced, Fusina won in the Northeast, mid-Atlantic and South regions while Sims carried the Southwest and Far West and Leach took the Midwest.

and Leach took the Midwest.

29 234 117 285 29.1 Sims became the sixth junior to win the Heisman in the award's 4422 242 25 75 72 26 year history. The others were Doc 27 169 79 427 25.7 Blanchard of Army in 1945, Doak 22 26 132 544 244 Walker of Southern Methodist, 17 148 76 42 25.4 1948; Vic Janowicz of Ohio State, 27 121 210 458 25.1 1950; Roger Staubach of Navy, 28 281 71 463 247 1963, and Archie Griffin of Ohio State in 1974 Chiffin archive 1963, and Archie Griffin of Ohio State in 1974. Griffin repeated in 1975, to become the only two-time Heisman winner.

HOLIDAYS & TRAVEL

safety Chuck Crist intercepted a Bradshaw pass and made a 25-yard return to the Pittsburgh 41. It was the eighth interception of Bradshaw in the last three games, but he completed nine of his next 11 passes for 137 yards on second-

Leach a Distant Third

the could add add be the character of the could add be the character of the could add be the character of the could add be the character of th

scoring receptions.

Pittsburgh's defense, which has allowed only two touchdowns the last three games, yielded to the 49ers only after running back Rocky Bleier fumbled on a bad handoff in the third period. San Francisco's Paul Hofer ran 2 yards to score on a fourth-down play. A moment of silence was ob-

served before the game for San Francisco Mayor George Moscone and a city supervisor. Harvey Milk.

NHL Leaders

Dionne, LA Luffeur, Mon

WHA Leaders GPG APTS 22 10 30 40 21 19 16 35

Ftorek, Cin. Cloutier, Que. Mark Howe, N.E. Nilsson, Wpg. Lacroix, N.E. 11.Maryland 14.Texas 15.UCLA 16.Pfitsburgh 17.Purdue 18.Missouri 19.lowa State

(AP) — Quarterback Terry yesterday morning. The city's Park Bradshaw threw three touchdown and Recreation Commission, which and Recreation Commission, which passes last night, two to Lynn operates Candlestick Park, request-Swann in the second-quarter, in ed that the game be postponed, but leading the Pittsburgh Steelers to a the NFL office answered that it 24-7 victory over the San Francisco was too late to consider such action. The 49ers' best offensive drive came late in the second period

Bradshaw Passes for 3 Touchdowns

Steelers Hand 49ers 12th Loss

SAN FRANCISCO, Nov. 28 who were assassinated at City Hall

The Steelers improved their

record to 11-2, the best in the Na-

tional Football League, while

snapping out of a two-week offen-

sive slump and sending the 49ers.

1-12, to their eighth consecutive

lead to two games over Houston in the Central Division of the Ameri-

field goal for Pittsburgh in the first quarter, but the 49ers' Ray Wersch-

ing missed a 30-yard attempt after

League Leaders

Roy Gerela kicked a 42-yard

can Football Conference.

22 and 25 yards.

when they went from their 35-yard line to Pittsburgh's 14 with a pass from Scott Bull to tight end Paul Seal, picking up 17 yards. But the Steelers' Jack Ham killed

the threat with the 25th intercep-tion of his career — the most by an The victory boosted Pittsburgh's active NFL linebacker.

Early in the final quarter, Ham got interception No. 26 as Bull threw from the Steelers' 34.

Harris Leaves Game

Pittsburgh running back Franco Harris rushed for 61 yards in the first half, including 23 on the drive that led to Gerela's field goal. But he pinched a nerve in his shoulder and did not play in the second half.

period touchdown drives. Swann, the wide receiver, who had no re-ceptions in last week's 7-6 victory Two 49er starters, tight end Ken MacAfee and defensive end Cedric Hardman, also left the game beover Cincinnati, caught five passes cause of injuries. for 88 yards in the two drives and caught touchdown passes covering

Football Polls

NEW YORK, Nov. 25 (UPI) — The United Press International Board of Cooches' top 26 col-pe football ratings, with first-place votes and Bradshaw took the NFL lead in won-lost records in por Team 1, Penn St. (30) (11-0) 2, Alaboma (10-1) touchdown passes this year with 22 when he hit John Stallworth with 2, Alabama (10-1) 3, Se. Colif. (3) (10-1) an 11-yarder in the fourth quarter. Swann leads NFL receivers with 11

8, Georpia (8-1-1) 9, Notre Dome (8-3) 10. Arkansas (8-2) 11. Houston (8-2) 12, Maryland (9-2) 13, Pittsburgh (8-3) 15. UCLA (8-3) 16. Missouri (7-4) 17. Texas (7-3)

Note: By agreement with the American Fo Cooches Association, teams on probotion by the NCAA are ineligible for top 20 and national championship consideration by the UP! Board

NEW YORK, Nov. 28 (AP) — The top 20 feoms in The Associated Press college toetball poll, with first-place votes in parentheses, season records and total polaris. Polats based on 20-19-19-17-16-15-14-13-12-11-10-4-8-7-6-5-4-3-2-1: 1.Penn State (52) 11,Georgia 12.Michigan State

The Steelers' first touchdown drive covered 80 vards, officially, but Pittsburgh took one 10-yard holding penalty and Bradshaw to-taled 81 yards passing on the drive.

Swann caught his first touchdown pass in the end zone behind defender Vern Roberson. On the second touchdown catch, which ended a 66-yard surge. Swann beat the double coverage of Roberson and safety Bob Jury to catch the ball at the goal line.

Swann's eight catches in the game, good for 134 yards, gave him 57 for the season and tied him with Seattle's Steve Largent for the AFC

Pittsburgh's defense has given up the fewest points of any NFL team. 162. The Steelers held the 49ers to 67 net yards rushing and 74 passing a total of 141 compared to the 380 run up by Bradshaw and com-

NFL Standings AMERICAN CONFERENCE

New England	19	3	D	,769 317	
Miami	8	5	0	310 51م	245
N.Y. Jets	7	6	0	538 294	281
Balfimore	5	8	0	JB5 196	341
Bullalo	4		٥	JOB 747	300
Centrel					
Pittsburgh	11	2	0	244 287	142
Houston	•	4	9	.492 239	22
Cleveland	7	6	•	.538 257	227
Cincinnati	1	12	0	977 147	242
West					
Ockland	8	5	0	A15 272	219
Denver				∆15 220	
Seattle	7	6	0	.538 265	271
Son Diego				482 233	
Konsos City				.231 207	
NATIONAL	. CO	NPE	RE	NCE	
East				-	
Dallas	9	4	В	A92 306	178
Weshington	8	5	0	.615 246	233
Philodelphia	6	5	8	∆ 15 210	186
N.Y. Glants	5	8	ø	.385 227	258
St. Louis	4	9	0	.308 185	244
Central					
Minnesoto	7	5	1	577 232	207
Green Bay	7	5	1	577 218	217
Tampo Boy	5	В	6		
Defroil	5	8	0	.365 198	251
Chicopa	5		ē	385 218	224
West	-	-	_		_
Los Angeles	10	3	0	.769 246	104
Allente		Š	ō		
New Orleans	5	i	ō	J85 228	
Son Francisco	ĩ	12	ŏ	.077 1B6	
	•	•	-	100	
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Pittsburgh 24, Son Fron Allanta at Cincinnati Baltimore of New York Jets Green Bay at Tompo Bay Los Angeles of New York Gio omi et We Philodelphia at Minnesola Butfola at Kansos City Son Francisco at New Orlec Detroit at St.Louis New England at Dallas Plitsburgh at Houston Cleveland at Seattle Denver at Oakland

Rams Suspend Robertson

LOS ANGÊLES, Nov. 28 (AP) — The Los Angeles Rams have sus-pended linebacker Isiah Robertson without pay for two weeks for "conduct detrimental to the football team," according to Coach Ray Malavasi, who would not elab-

Power-Skating Mentor Lifts the Flames

NEW YORK, Nov. 28 (AP) -The Atlanta Flames have found their skating legs thanks to powerskating instructor Laura Stamm. And, by no small coincidence, they also have found success.

Stamm, a resident of Eastchester. N.Y., who has written a book on power skating, began her associa-tion with the Flames through the efforts of two players — Harold Phillipoff and Greg Fox. They spent some time learning power skating during their off-season in 1977 at the Okanagan Hockey School in Penticion, British Columbia, where she conducts seminars

for professionals. Both Harold and Greg went back to Atlanta raving about how the skating lessons had helped them," Stamm said. "That's how the Flames knew of me."

David Poile, the Flames' assistant general manager, invited her to work with the entire team in Atlanta. General Manager Cliff Fletcher and Coach Fred Creighton decided she would hold the optional powerskating lessons the week before long before she recognized the flaws of the Atlanta skaters. "The errors were different with

each player," Stamm said. "For example. Dave Shand - a beautiful skater — just floats on the ice. But he doesn't use his skate edges. Guy Chouinard uses his edges but he doesn't get his legs out to a full extension, which is going to cut back on his power. Willi Plett's right leg pushes well but his left one tends to push back and to the side too far rather than outward."

Have her observations helped? First Group Session

"I owe her a lot," said Phillipoff,

who who is expected to be out of action for at least five weeks after spraining a knee ligament in the Flames' 4-2 loss to the Boston Bruins Sunday night. "Thanks to her I feel I'm an above-average skater. I can cut corners, turn sharper, skate faster, do everything better. Laura was one of the main reasons I was able to make the Flames team last year.'

Her efforts - and the Flames'

ed. The team put together an unbeaten string of 12 games at the start of the season, two short of the NHL record, and the club currently

has the best record in the league. "I'd like to think I've helped, but I'm not sure," Stamm said, "At least I know I didn't hurt there."

Though Stamm already had worked with several NHL skaters individually, this was her first NHL group session. She was not used to working with the giants of Atlanta, the tallest team in the NHL.

The big guys always tell me it's hard for them to get off to a good start," she said, adding that most hockey players take their skating for granted. "The other thing I find with a big man is that it becomes a tendency in their youth to let their legs get lazy because they can rely on the fact that they're bigger and might get there faster than some of

cause they no longer take their skating -granted. — or Laura Stamm — for

ESCORTS & GUIDES

Australia Pulls Turnbull In Federation Cup Match

ruser shocked Australian fans by lumping the No. I player, Wendy furnbull, from tomorrow's second ound clash with Japan in the Fedration Cup tennis championships. Turnbull today swamped Monque Van Haver, 6-1, 6-1, as Austra-ia beat Belgium, 3-0. Fraser said he vould replace Turnbull with Kerry

"I like to keep the opposition messing." Fraser told newsmen. "I hink I know who the United States

Transactions

.Swenstein, buffleider, bit Willvers from the 1 ma; 25 Ronners. TORONTO BLUE JAYS—Troded Alon Ashby. catcher, to Houston Astros in exchange for Mark Lemongette, pitcher: Joe Cannon, extileties, and Pedro Hernandez, shortston, Sent Sonn Ewinz, outfleider, to Syracuse of the Internation-

FOOTBALL

ATLANTA FALCONS-Placed Warren aryant, oftensive tackle, on the injured reserve in DETROIT LIONS—Placed Jesse Thomase in wide receiver, on the intured reserve list. Sign Tony Leonard, defensive back.

I; HOCKEY National Hockey League

" COLLEGE

ST. LOUIS BLUES—Recoiled Bob Mundoch, risht wing, from Soit Lake City of the Central Hockey Leosus, Sont Mike Crombeen, right wing, to Soit Lake.

DUKE-Fired Mike McGee, head for

MELBOURNE, Nov. 28 (UPI) will send in [to the final on Sunday]

— Non-playing captain Neale but they don't have the slightest idea of what the Aussie team will

In other first round matches today: West Germany beat Brazil, 3-0, Yugoslavia defeated Norway, 3-0, France defeated Sweden, 2-1 and the Netherlands swept through Mexico, 3-0. Other 3-0 victories went to Japan over Israel, Chile over Uruguay, Czechoslovakia over Portugal and Switzerland over Ireland. Romania struggled to a 2-1

when torn muscles forced Sue Barker out of tomorrow's second-round match against West Germa-ny. Michelle Tyler will make her ederation Cup singles debut as Barker's replacement.

Other matches tomorrow were to include the Soviet Union against Yugoslavia and the United States

Captures Slalom be the first to play for his country. STELVIO PASS, Italy, Nov. 28

Quario, 19, scored an upset win today in the season's first World Series women's sialom as Italians swept four of the top five placings. Claudia Giordani was second and Switzerland's Brigitte Glur was third. Next were Italians Wilma Gatta and Daniela Zini.

Moser-Proell and Lea Soelkner fell

tugal, is a marvellous receding first black man so honored in 106 memory; Marius Tresor of France years; it was on Nov. 30, 1872, that is arguably the outstanding defender in the world today. All black, all Born in Nottingham 22 years ago, two years after his parents ar-

The Soccer Scene

Yet, so parochial is England, so rived from Jamaica, Anderson stands 5 feet, 11 inches and weighs undeveloped her attitude toward integrating her one million colored citizens, that Anderson's debut against Czechoslovokia at Wemb-144 pounds. Yet, such is the range of his long tapered legs that team-mates refer to him as "spider," or ley Stadium has true social and histhe extension." Lately that loping stride has carried him into positions to strike

superbly-timed opportunist goals, crucial scores in Nottingham Forest's success in Britain and Europe. Speed and shooting power, Anderson admits, have always been there, from days kicking a tennis ball in Nottingham backstreets through schoolboy years as a 30goals-a season center-forward.

However, Manchester United, his first love, passed him by and Anderson began a printing apprenticeship before Forest discovered the defender in him.

It is as a defender who relished attack down the right flank that he will be examined tomorrow. Marian Masny, the swift and elusive Czech, could make that test severe - if Masny switches wines to probe Anderson's resilience, if Masny appreciates that Anderson is as fair in the tackle as he is polite

ideal example to set before future generations, and the player's humor reveals best how he coped with opponents and crowds who attempt to undermine the emerging reality of black power in soccer. Have opponents tried to upset his concentration with comments

about color? "They have, yes." Does this worry him? 'It doesn't no." How does he react?

"I've had a few laughs, like when we played Bristol City and Joe Royle told the referee I was picking on him because he was white." Anderson's sudden smile unveiled a taste for humor to re-

says: 'It'll' not change yer, you know. You'll still be the same color.' I just say I don't want to

Dignified Response

crowd barricking at Carlisle he him that the one way to silence abuse was to show his ability.

Having campaigned for the in-troduction of the gifted colored

years, I harbor one slight regret and it has nothing whatever to do with Anderson's right to selection. My sympathy goes to Laurie Cunningham. He was due to play for the England B side in Prague tonight. Yet, in the short, short time that black players have made their impact here. Cunningham has been the pioneer, the youngster

Unforgettable Debut

He almost made it: he was the first black player to be sold for £100,000, the first to play for England at under 21 and, just a week ago, a goalscorer for West Bronwich Albion in Valencia, where his performance dwarfed that of Mario Kempes, the outstanding player of the Argentine World Cup.

Laurie Cunningham, I believe, Amateur Hockey Association.

Gervin, SA Free.SD Westphal Phoe

WHA Accord **Paves Way for Europe Series**

EDMONTON, Alberta, Nov. 28 (AP) — The World Hockey Associ-

signing of underage junior players apparently had been settled last cek, but the Canadian Major Junior Hockey League claimed that the WHA had violated that agreement.

The series needs the sanction of the International Ice Hockey Federation. The WHA could not get that sanction without the approval of the CMJHL and the Canadian

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during their runs.

win over Italy. BALTIMORE ORIOLES—Acquired John John Swenstein, putilister, on waivers from the Texagainst New Zealand.

Italian Woman

(UPI) - Italish skier Maria Rosa Austrian stars Anne Marie

in word, and if Masny turns on some of the derring-do that Czechoslovaks hide so timidly on Model Player Anderson's club sees him as the

lieve the encroaching line of racist questioning. "You know," he continued, "I've got this thing about Johnson's Baby Powder. I use it after a match and the manager comes up and

Yet there are those at Forest who recall a time he became so upset by turned to gesture angrily. And he says himself that he will always be grateful that his manager, Brian lough, took him aside and warned

It has been Anderson's dignified response that has earned the honor of history. He is, or may soon develop into, the best attacking right win over Italy.

Britain's chances in the tournaback in the country, and where good right backs are at a premium, ment received a major setback. Anderson is a natrual choice.

> player in British soccer for four many of us kept promising would

a 17-year-old tormenting experi-enced players, from watching him train alone with a soccer ball — a thrilling sight in itself, a sideshow of ball control and hypnotic craft He has a rhythm and an inventiveness which refuses to surrender against Oklahoma State. even when opposing managers or-der players to intimidate him physically. He, more than any, took on

the majority of managers who, as

brief a time as four years ago, be-

lieved blacks were cowards, and he

wring applause from crowds that set out to viciously taunt him. Recently, persuaded by West Bromwich to watch Cunningham, England manager Ron Greenwood immediately put the 22-year-old into his B squad. But why the sec-

ond-best team?

Greenwood, a pioneer of colored players at club level, is too gentle, possibly too secretive a man, to speak the doubts he may have about Cunningham's temperment, though he says Anderson's "bit of history could not fall on a nicer or nation. more capable pair of shoulders." Look into Cunningham's past

and you see a youngster so conblack power magazines; he har- a North Carolina State running bored a chip that one big London back, and Steve Fuller, Clemson's club kicked him out and others didn't want him, and a year ago he sulked when he believed a Finnish nightclub barred him because of his

Last year, too, his form faltered and gossips suggested his nightlife was ruining his ambition. This year his brilliant consistency put those gossips on the run. England has chosen a good time young, gifted and black, Perhaps,

tunist, and Cunningham, who paved the way. NBA Leaders

tween Anderson, likeable oppor-

Lanier, Det Robinson, NO Erving, Ptill Gilmore, Chi

ated averted the possible cancellation of its 18-game international series with several European teams set for next month by settling a dis-pute with amateur hockey organ-The dispute over the league's

A snag seemed to develop when the Albertan newspaper reported that the WHA violated the agreement by adding another condition. But the league and the amateur organizations of Canada later confirmed the accord.

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the smaller players." The Flames are getting there faster and more often lately be-

training camp began. It was not

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Place and like LONDON, Nov. 28 (IHT) — The mann Police LONDON, Nov. 20 (21.7)

Monte along the second to melt out Mann Indian melt modest, he seemed to melt ord Miss Imeacly modest, no seemes to and the condition the film crews and the laced labelewinen pestering him this past months and south. Yet be cannot run, cannot 1 ... It medicairk the responsibility to history; Tomorrow night, when the talk-

 $E_{i_1,\dots,i_{k+1},\dots,i_{k+1}}$ ig finally stops and the playing $e_{i_1,\dots,i_{k+1},\dots,i_{k+1}}$ egins. Viv Anderson will become Pele has come and gone in Bra-When he pulls on the No. 2 shirt in England colors he will be the The Now York Tops

YOUR BURES Comment Reg.

1.6 S Ma

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ASSESSMENT

Viv Anderson (left) trains for match against Czechoslovakia.

Carter Splits Hairs — And Personality

N EW YORK — President for here, "Jimmy, I want to ask you something." ly consultation. It is an interesting case. He believes he is turning into Gerald Ford.

One tries to reassure him, "But Gerald Ford is a bald man, and

you are a hairy man."
Or. "But Gerald Ford had a Henry Kissinger, and you are your Kissinger."

That's what my wife Betty keeps telling me."

he says. "Rosalynn?" "What kind of question is that?" Baker You, wife, Rosalynn - she

keeps telling you that Gerald Ford is a bald man, while you are a hairy

He becomes impatient. It is not a question of hair, but of politics. He has developed Gerald Ford's passion for high interest rates. Lately he finds himself getting out of bed in the dead of night, sneaking down to the refrigerator and raising the interest rate on everything in it.

"Have you considered making yourself a salami sandwich and having a nice glass of teal instead? There's nothing like gastric distress at midnight for taking the mind off interest rates.

He becomes combative, "If Gerald Ford likes high interest rates, and I like high interest rates, what's

the difference between us? "You are a hairy man, and Gerald Ford is a smooth man."

"Oh yeah? Then how come I want higher unemployment? In the old days I didn't want higher unemployment. That's what Ford wanted. Now I want the same thing."

One points out that Ford does not have a brother named Billy, who is a beery man, "What's more, you can't be Gerald Ford because you haven't pardoned President Nixon, have you?"

This evidence brings a glow to his face. "You bet I haven't, and I never will, not as long as my name A subtle correction seems called

By Russell Baker

"My friends call me Jerry."
"No. Your friends call you Jimmy and President Ford's friends call him Jerry. This is because you are a hairy man, and he is a smooth

He is not assured. "If I'm not Gerald Ford, how come I'm trying to send the country into a reces-

One points out that if he were Ford he would not have a mother named Miz Lillian. He would not have a Georgia accent. He would not have dazzling teeth. He would

not be a hairy man. He pays no attention. His mind is obsessed with the boredom of politics. If he is not Ford, why is he cutting the budget for human needs

while planning to splurge more money at the Pentagon? One tires of these political questions. As he rambles on about the evils of inflation, the mind grapples with more interesting problems. For example, how to break the news to him that the fee for his weekly consultation will be increased by \$20 next week, due to the rising cost of everything.

"We have got to whip inflation now, and if I'm not Gerald Ford. why do I say things like that?"

This can be serious. If he really means it, he may establish price controls, which would make it hard to squeeze him for the additional S20. It is time for a delicate probe.
"You are not, by any chance, thinking of invoking price controls?"
"Of course not," he says, "Didn't I tell you I'm Jerry Ford?"
What a relief, Inflation as usual.

"No. Mr. President. Gerald Ford is a smooth man and you are a hairy

His time is almost up, but he desperately craves reassurance. Smooth or hairy, it doesn't matter." he says. "I'm turning into

a Republican." "Time's up. Mr. President." He goes out feeling his head to make sure it is still hairy. Turning into a Republican! He seems to think there's something odd about it. How out of touch can a president get? Doesn't he know the entire Democratic Party went Republican six months ago?

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By Jane M. Friedman

ENISKERRY, Ireland (IHT) — Five years ago, Frederick Forsyth, the author of the bestsellers "The Day of the Jackal" and "The Odessa File." announced after the publication of his third book, "The Dogs of War." that he was retiring from the trade.
Today Forsyth, who made about \$2 mil-

lion from those books and is comfortably ensconced in a 23-room Georgian mansion south of Dublin, is eating those words and churning out others. At 40, he is working on his fourth novel, due out in Great Britain nevi fali.

Although he refuses to discuss details of plot, reports in the book trade indicate the book, titled "The Devil's Alternative," is set in 1982, with a massive crop failure in the Soviet Union and a U.S. salvage effort. Events lead up to a third world war.

The book was offered to publishers at the Frankfurt book fair recently on the basis of an outline. French publisher Albin Michel bought the rights for a reported \$75.000, a large sum in France. British reporters have speculated that Viking Press, the U.S. pub-lisher, paid more than \$1 million for rights

"I had this idea." Forsyth said recently. wearing blue jeans and sipping coffee in his study here. "I showed it to my wife, and she said, 'Great,' I thought it was a pity to lose

December Deadline

After five months' research in the Soviet Union, the United States. West Germany, the Netherlands and Scandinavia. Forsyth has begun to write - hoping to meet a Dec. 31 deadline.

"As I don't like writing," he said in his study, overlooking the hills that are part of his 25-acre estate, "I have to say to myself. You're going to sit down at 9 a.m. every day and write a page ration.' The actual act of writing is very boring. It makes your fingers ache, your shoulderblades ache. There are a thousand things I'd prefer to be

Forsyth was born in Ashford, England, in 1938. He hated school and, at age 17, left it to join the Royal Air Force. Afterwards, he became a journalist and eventually a foreign correspondent for Reuters and later the BBC. He quit the latter in a dispute over its Biafra coverage, and went to Biafra for two years as a free-lance.

Zilch

Back in London, says Forsyth, "I was a journalist doing zilch and likely to do little more than zilch for the rest of my career. So I thought I'd try my hand at novel writing."

"The Day of the Jackal," Mr. Forsyth's novel about an attempt to assasinate French President Charles de Gaulle, was an instant success, leading to a contract for two more. After the third, Mr. Forsyth, by then a millionaire, moved to Ireland partly to avoid British income taxes (Ireland does not tax writers on current earned income).

Forsyth's life today is a "long haul from

The

Forsyth File

Paris," where he was a Reuters correspondent in the 1960s. Most of the places he knew are "either holes in the ground or skyscrapers;" his contacts are either "dead

Forsyth married a British model five years ago. They have a year-old son, Frederyears age. They take a year-old son, Frederick Stuart Forsyth, When not writing, Forsyth spends his days seeding or mowing the lawn, building a sheep fence to contain his two dozen sheep, or fetching groceries from the nearby town of Bray.

Controversy

Despite the isolation. Forsyth became embroiled in real-world controversy recently as a result of his earlier books. In April, an investigative team from the London Sunday Times accused him bl having financed an attempted coup d'etat in Equatorial Guinea; the paper said that "The Dogs of War" was a thinly disquised account of the operation

When the story came out Forsyth refused to comment. In an interview here, Forsyth said he got the details for his novel "the way l get details for all the books. I was very close to and observed the men who were experts in those areas and techniques."



Frederick Forsyth "....writing is very boring,"

He said he researched the book in Europe, the Ivory coast and the Cameroons. He admits that he had observed the makings of a coup, but refuses to add details.

Forsyth says he found the brouhaha over the allegations "hilarious - because I know what really happened."

"The Dogs of War" also brought accusations that Forsyth had sympathy for mercenaries. In the book, the mercenaries than our control of the control

to be the good guys - they establish a be-

nevolent government.

"I don't have any affinity for mercenaries," says Forsyth coldly. "They're just more interesting than most blokes, than streetsweepers or bartenders."

Forsyth says he dislikes generalizations

about mercenaries — asserting that they had not killed more than "40,000 people on the entire African continent," whereas Western European and African dictators had killed

'Hypocrisy'

"That's not an affinity with mercenaries though." he insists. "It's a rejection of the hypocrisy of respectable society with its setpiece attitudes that can justify killing a mil-lion children by starvation in Biafra but can object vociferously to four or five mercenar-

Forsyth has strong words for what he claims was the French government's involvement in the coup d'etat in the Comoros Islands last May. Robert Denard, a Belgian mercenary, and a band of 50 others toppled Marxist leader Ali Solih and established a pro-Western government on the islands off Madagascar. Denard was thrown out later by the new rulers and is now reportedly back in France.

"That coup was a carbon copy of my story." Forsyth maintains, "except that it had governmental backing — French."

Forsyth says that his "sources in the world of mercenaries" told him the band sailed from the French port of Rennes on a trawler. Their arms were allegedly pur-chased in France with the knowledge of the French counterintelligence service.

A spokesman for the French foreign ministry denies the charges, saying that the French government had not in any way en-dorsed the coup d'etat in the Comores.

Incompetent

The mercenaries, says Forsyth, were re-cruited "in the back streets of Paris," and were incompetent. The first night after they rounded the Cape of Good Hope, Forsyth says, "they missed the island. They couldn't find it. They waited a full day offshore. By the grace of God, nobody saw them. They were buzzing around like knitting needles."

Forsyth's cynical attitude toward power seems linked to an unabashed pursuit of self-interest.

"I'm a writer with the intent of selling lots of copies and making money. I don't think my work will ever be regarded as great literature or classics. I'm just a commercial writer and I have no illusions about it."

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MOVING

PEOPLE: Connie Francis Daniel After 4-Year Absence Connie Francis Back

For singer Connie Francis, the ap-plause may never be quite the same. It's been four years since she was raped by an intruder who broke into her Long Island motel room. She hasn't performed publicly since then, despite an ourush of resulting publicity. This week the 38-year-old entertainer is to appear on her friend Dick Clark's Wednesday Live" television show. The songstress who popularized such hits as "Where The Boys Are," "Lipstick On Your Collar," and "Who's Sorry Now?" has had comeback offers before, but "I didn't want to do enothing " she didn't want to do anything," she says."I was really paranoid. And frightened. And very angry." And "we received so many offers to do Connie Francis we received so many offers to do programs. That was a terrible feeling. No one was calling to do a special with me before that." Those feelings have faded, she says. "There will be people who will come to see my show [because of the rape]," she acknowledges. "But I don't like to dwell on personal problems. I really don't feel sorry would have loved the production her ren the hooplah and the people," her list \$1 said. "That's what she lived for." hu NT

The voice of Judy Garland echoed through a Beverly Hills, Calif, hotel ballroom Monday at an auction of the late superstar's possessions. Potential buyers saw film clips of Miss Garland singing some of her most famous numbers, in-cluding "You Made Me Love You," "Rockabye Your Baby" and "Somewhere Over the Rainbow." But a total of only 550 people turned out — far below expecta-tions — and many Hollywood stars who had made reservations never showed. Bidding was slow and unspectacular (among the few highlights: a six-piece sterling tea set at \$3,750 and a 69-piece flat-ware set at \$4,000). Sid Luft, Miss Garland's husband and the arranger of the sale, appeared undis-turbed by a lawsuit filed last week by attorneys for Miss Garland's danghter, singer Liza Minnelli. The suit sought to prevent the auction or to have any resulting funds placed in the Garland estate, but a judge refused to issue an injunction. However, there will be a hear-ing in Santa Monica superior court Friday, when attorneys for Luft are to show why auction proceeds should not be placed in the estate. Luft said he saw Miss Minelli in New York just before she left on a European tour, "and she never mentioned a word about a lawsuit. ." He added: "Judy

problems. I really don't feel sorry for myself and I don't want others

* * *

to feel sorry for me."



"The Americanization of Mstislan, in wk. Rostropovich." Said the 51-year-old in 5 re Russian: "I have to tell you that live to like love America very much. I sit in mystic like love America very much. I sit in mystic like love America very much. I sit in mystic like love America very much. I sit in mystic like love the other day and the telephones." a fior rings and it is Jimmy Carter. W. 12 pt had a very nice and interesting talk with a love America is my second matrix and a very nice and interesting talk with a love America is my second matrix and a very nice and interesting talk with a love and matrix and like the love of the love Now America is my second patrie. Even my daughter Olga has be in come an American. She called min. from New York and said, 'Papa' I'm depressed.' I ask why. She says at 'Because the weather is bad.' Well 's 'P if at her age she can be depressed in over bad weather, that means sh must be an American. In Russianal young people get depressed over the many things, but never about the weather.'

Wilfy Brandt, chairman of Wes and Germany's Social Democratic Par ty, will be kept in a hospital until a f sometime next month, and ther will begin a convalescence/vacation of several weeks, says a partyspokesman. Brandt was hospital **
ized Nov. 16 with what was though **

ized Nov. 16 with what was though ** to be a bad cold; doctors have since diagnosed it as a vascular insufficiency. Because of the long recular peration, the 65th birthday partys the Social Democrats had planned to hold for Brandt Dec. 18 has been? postponed. About 13,000 party members had been invited.

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